

هذه امرنا في كل وقت

Weekend

FINANCIAL TIMES

Weekend FT 'Freedom fighter' turns relic



Car's coat of many colours



Terracotta army: seeing is believing



World Business Newspaper

WEEKEND FEBRUARY 17/FEBRUARY 18 1996

Brussels questions German bank loans for shipbuilder

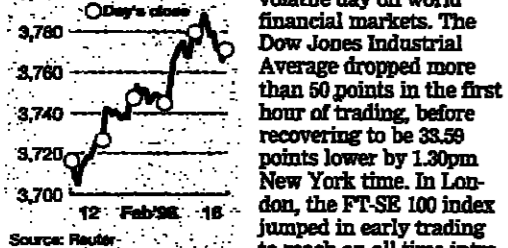
The European Commission has questioned the use of Germany's biggest shipbuilder, Bremer Vulkan, of government-backed bank loans. Shares in Bremer Vulkan were suspended from trading shortly before the Commission's announcement. The company's management said it would make a special announcement next week, and shares fell 70 pence to DM28.50 (\$19.50). Page 22

Arrests follow IRA bombing: British police arrested several people in their search for Irish Republican Army bombers responsible for last Friday's blast in east London, which killed two people. Police offered a £1m (£1.5m) reward for information on the bombers. Page 4

US industrial production drops: US industrial production last month registered its largest fall since the 1990-91 recession, partly due to severe winter weather, the Federal Reserve said. Economists said the figures were weak enough to justify another quarter-point cut in short-term interest rates next month. Page 22

Russian deputy targets inflation: Russia's new first deputy prime minister Vladimir Kadamukov said lower inflation and resisting pressure to print money were priorities ahead of forthcoming presidential elections. Page 2

London stocks hit by Wall Street fall: The US stock market fell sharply triggering official curbs on programme trading, and adding to a volatile day on world financial markets. The Dow Jones Industrial Average dropped more than 60 points in the first hour of trading, before recovering to be 35.59 points lower by 1.30pm New York time. In London, the FT-SE 100 index jumped in early trading to reach an all-time intra-day high of 3,791.6 before falling back to close 2.9 points lower at 3,770.9. Over the week the FT-SE 100 index rose 54.6 points. Wall Street nervous in the bull ring. Page 9; World stocks, Page 17; London stocks, Page 19; Markets, Weekend Page 22.



Azeri oil deal signed: An agreement to ship 5m tonnes of Azeri oil a year through the Russian pipeline system was signed by officials from Transneft, the Russian oil pipeline monopoly, and the company representing a foreign consortium planning to spend \$5bn developing offshore fields in the Caspian Sea. Page 2

UK plan to break aviation deadlock: A proposal to allow foreign airlines to own up to 49 per cent of UK carriers, aimed at breaking the deadlock in UK-US aviation relations, will be introduced by US Senate transport committee chairman, Senator Larry Pressler. Page 3

S American boost for Telefonica: Expansion in Latin America helped to lift net income at Spanish telecoms group, Telefonica, to Pta133bn (\$1.1bn) last year. Page 5

Hong Kong emigration to rise: The flow of emigrants from Hong Kong is set to rise this year to between 90,000 and 100,000, compared with about 60,000 in 1995 and 55,000 in 1994, as the date for the return to Chinese sovereignty nears. Page 3

Volvo, the Swedish vehicle manufacturer, is cutting its truck production capacity in Europe by almost 20 per cent because of weakening demand in a move likely to affect 1,000 jobs in Belgium, Scotland and Sweden. Page 5

Win in Bangladesh elections: Bangladeshi prime minister Khaleda Zia swept to an unchallenged victory in an election tainted by widespread violence and reported election fraud. Page 3

Building demolition kills 14: Fourteen people were killed and 10 injured when demolition workers brought down a central Beirut building with a family of squatters still inside.

Rand slumps to all-time low: The South African rand hit an all-time low against the US dollar as speculators bailed out, fearing an easing of foreign exchange controls which could trigger a flight of capital from the country.

Table with 2 columns: Company Name and Share Price. Includes companies like Barclays, Baxi, British Castrol, etc.

For customer service and other general enquiries call: 0145885150

Scalfaro clears way for April election

Italy's outgoing PM in caretaker role until poll

By John Simkins in Milan

Italy is to hold a general election on April 21, after President Oscar Luigi Scalfaro yesterday dissolved the country's 12th postwar parliament.

Mr Lamberto Dini, the outgoing prime minister, is to continue in a caretaker role until the elections. He completed an interim government earlier in the day by appointing new ministers to the vacant budget and justice portfolios.

The president has been reluctant to let the country go to the polls so soon after the March 1994 elections which ushered in the one-year coalition administration led by Mr Silvio Berlusconi, head of Forza Italia.

Mr Berlusconi's government fell after Mr Umberto Bossi's Northern League left the coalition. Mr Dini, a former director-general of the Bank of Italy, took over, but his government fell in mid-January.

Some of the contenders will not relish an early poll, and had been exploring the possibility of an 18-month interim government to introduce constitutional reform.

Mr Berlusconi, who is being investigated because of the activities of his Fininvest business empire, wanted time to resolve his judicial problems. Mr Massimo d'Alema, the leader of the PDS party, the former communist, believed that the centre-

left alliance risked losing. Since January 13, Mr Antonio Maccanico, an experienced backstage political negotiator, has tried to form an interim government at the request of Mr Scalfaro. On Wednesday Mr Maccanico said he was unable to form an administration with broad support and yesterday the president signed the decree dissolving the legislature.

Leaders of the centre-right, grouped round the National Alliance of Mr Gianfranco Fini and Forza Italia, have called for members of the outgoing government to remain neutral and not present themselves as candidates at the elections. Mr Dini's name has been linked with the centre-left.

Yesterday's ministerial appointments brought Mr Mario Arcelli, an economics professor who is rector of Luiss Guido Carli university at Rome, into the government as budget minister to succeed Mr Rainer Maserà who resigned in December to return to the IMI banking group.

Mr Vincenzo Cicalano, former chairman of the constitutional court, becomes justice minister, succeeding Filippo Mancuso, who was dismissed last October after a no-confidence vote.

The premature ending of the legislature, which was intended to run until 1999, is the eighth early dissolution of an Italian parliament since 1968 and the second under the Mr Scalfaro.

Mr Berlusconi, who is being investigated because of the activities of his Fininvest business empire, wanted time to resolve his judicial problems. Mr Massimo d'Alema, the leader of the PDS party, the former communist, believed that the centre-

left alliance risked losing. Since January 13, Mr Antonio Maccanico, an experienced backstage political negotiator, has tried to form an interim government at the request of Mr Scalfaro. On Wednesday Mr Maccanico said he was unable to form an administration with broad support and yesterday the president signed the decree dissolving the legislature.

Leaders of the centre-right, grouped round the National Alliance of Mr Gianfranco Fini and Forza Italia, have called for members of the outgoing government to remain neutral and not present themselves as candidates at the elections. Mr Dini's name has been linked with the centre-left.

Yesterday's ministerial appointments brought Mr Mario Arcelli, an economics professor who is rector of Luiss Guido Carli university at Rome, into the government as budget minister to succeed Mr Rainer Maserà who resigned in December to return to the IMI banking group.

Mr Vincenzo Cicalano, former chairman of the constitutional court, becomes justice minister, succeeding Filippo Mancuso, who was dismissed last October after a no-confidence vote.

The premature ending of the legislature, which was intended to run until 1999, is the eighth early dissolution of an Italian parliament since 1968 and the second under the Mr Scalfaro.

Mr Berlusconi, who is being investigated because of the activities of his Fininvest business empire, wanted time to resolve his judicial problems. Mr Massimo d'Alema, the leader of the PDS party, the former communist, believed that the centre-

left alliance risked losing. Since January 13, Mr Antonio Maccanico, an experienced backstage political negotiator, has tried to form an interim government at the request of Mr Scalfaro. On Wednesday Mr Maccanico said he was unable to form an administration with broad support and yesterday the president signed the decree dissolving the legislature.

Leaders of the centre-right, grouped round the National Alliance of Mr Gianfranco Fini and Forza Italia, have called for members of the outgoing government to remain neutral and not present themselves as candidates at the elections. Mr Dini's name has been linked with the centre-left.

Yesterday's ministerial appointments brought Mr Mario Arcelli, an economics professor who is rector of Luiss Guido Carli university at Rome, into the government as budget minister to succeed Mr Rainer Maserà who resigned in December to return to the IMI banking group.

Mr Vincenzo Cicalano, former chairman of the constitutional court, becomes justice minister, succeeding Filippo Mancuso, who was dismissed last October after a no-confidence vote.

Summit aims to revive Bosnia peace process



US mediator Richard Holbrooke (centre) arrives escorted at Rome's Fiumicino airport on the eve of crisis talks with the presidents of Bosnia, Croatia and Serbia. The summit is intended to revive Bosnia's peace process. Bosnian 'terrorist camp' captured. Page 22

Takeover would create one of world's biggest services groups

BET rejects Rentokil \$2.7bn offer

By Geoff Dyer and Tim Burt in London

Rentokil, the environmental and industrial services group, yesterday launched a £1.77bn (\$2.7bn) hostile bid for BET, the business services group. The move came after it abandoned plans to seek a recommended offer for the company.

The takeover would make Rentokil one of the world's largest services groups, with more than 140,000 employees and activities ranging from pest control to textiles and security.

Rentokil told BET shareholders they had been let down by the management's "disappointing" profits record, particularly since Mr John Clark took over as chief

executive in 1991. The offer was unveiled after the UK Takeover Panel told Rentokil to clarify its intentions after market speculation earlier in the week that it was about to launch a bid.

Rentokil's proposal was rejected by BET, describing it as "wholly inadequate" and a "mediated plan to create an unfocused services conglomerate".

Mr Clark said: "Rentokil would bring nothing to the group and its offer fails to recognise the value of BET."

Rentokil, however, said it could better exploit BET's brand names and the group would benefit from Rentokil's more focused management.

Rentokil's move is strongly supported by Sophus Berendsen, the Danish holding company which owns 52 per cent of Rentokil's shares. Its stake would be diluted to as little as 36 per cent. City analysts, most of whom

were initially sceptical about the industrial logic of the takeover, were told by Rentokil that BET's businesses offered significant scope for increased profits.

The group did not, however, publish detailed proposals of cost savings, restructuring charges and possible disposals, although it said it would put BET's industrial plant services division under review.

Mr Clive Thompson, chief executive of Rentokil, claimed the deal would be earnings enhancing in the first year and that almost 80 per cent of the two groups' businesses overlapped.

Mr Clark, however, said there was little common ground between the companies. One analyst said last night: "This is a big mouthful for Rentokil and we think it is high risk."

Rentokil, which yesterday announced a 21.2 per cent increase in full-year profits to

French trust British model in efforts to save chateaux

By Gillian Tett in Paris

The French government is to act to protect many of the country's historic monuments - and has looked across the Channel to Britain's National Trust for guidance.

Spurred by concern over Japanese purchases of France's elegant but often crumbling castles and country houses, the cabinet has decided to set up a foundation to protect them, and create 8,000-10,000 jobs.

The French move follows the acquisition by a Japanese property company of a string of attractive chateaux around Paris and the Loire in the late 1980s, which were then allowed to fall into disrepair.

The company's activities alarmed France's Ministry of Culture, which has 400,000 historic French monuments it wishes to protect.

Mr Philippe Douste-Blazy, French culture minister, explains: "Some monuments are in the hands of owners unable to maintain them. Some of the jewels of our architecture, like the Louveciennes chateau, near Versailles, have been bought by a Japanese company (which is now bankrupt)."

The French culture ministry says that, like the National Trust, the proposed foundation will be a private body to collect money and "mobilise the citizens" for the "defence of the heritage".

But unlike the National Trust - Britain's biggest charity which takes over the management of historic buildings and beauty spots and opens them to the public - the French body will have compulsory purchase powers and be substantially business backed. Public access may be less widespread.

The new foundation - which marks a break with France's long tradition of leaving responsibility for its heritage in the hands of the state, or private owners such as its old aristocracy - will be empowered to make compulsory purchases of buildings in decline or offer subsidies to struggling private owners.

The scheme envisages that businesses will provide two-thirds of the capital, with the public providing the other third through membership fees. How far French companies will wish to take part remains unclear. The culture ministry says that it expects about a dozen to take part, providing some FF15m (\$2.9m), and is offering tax breaks on donations.

Cez de France, the state-owned gas company, has expressed a firm interest in the foundation, according to the ministry. Credit Local de France, the bank, says it will consider joining when the scheme is passed by parliament this spring.

Table with 2 columns: Index Name and Value. Includes FT-SE 100, US LUNCHTIME RATES, NORTH SEA OIL, LONDON MONEY, GOLD, and CONTENTS.

Table with 2 columns: Index Name and Value. Includes FT-SE 100, US LUNCHTIME RATES, NORTH SEA OIL, LONDON MONEY, GOLD, and CONTENTS.

Table with 2 columns: Index Name and Value. Includes FT-SE 100, US LUNCHTIME RATES, NORTH SEA OIL, LONDON MONEY, GOLD, and CONTENTS.

Table with 2 columns: Index Name and Value. Includes FT-SE 100, US LUNCHTIME RATES, NORTH SEA OIL, LONDON MONEY, GOLD, and CONTENTS.

Advertisement for Fidelity Self-Select PEP. Text includes: 'IF YOU WANT ME TO SWITCH MY PEP, MAKE IT WORTH MY WHILE.', '0.5% annual PEP fee', 'You'll pay no more than £150 pa', '£100 cashback towards your exit costs', 'Dealing commission from £20', '0800 222 190', 'Hem's the amazing Fidelity Self-Select PEP Offer '96. Our annual fee is down by one third to just 0.5% - capped at £50 to your PEP can grow above £30,000 without costing you more. We'll even hand you up to £200 cashback against your exit costs if you're transferring an existing PEP. And look at the service you'll get everything is taken care of, from dividends to tax, with no hidden charges to surprise you. When you trade, you'll enjoy Callfree access to a qualified dealer, at our low commission rates. There is one catch: the £200 cashback offer closes on April 3. So call us free now.'

EUROPEAN NEWS DIGEST

Berlusconi 'knew of bribes'

Mr Silvio Berlusconi must have known of bribes paid by his Fininvest business empire to financial police, a Milan court was told yesterday as the former Italian prime minister's trial for corruption resumed. Mr Gherardo Colombo, opening the prosecution's case, claimed that Mr Berlusconi authorised the illegal payments to the Guardia di Finanza.

The prosecution said Mr Berlusconi dealt not only with the group's strategy but with everything concerning it. Mr Colombo said there was evidence of close links between Fininvest and the financial police. He said 37 Guardia di Finanza members had belonged to the banned P2 Freemasons' lodge, in which Mr Berlusconi had admitted involvement.

The charges relate to bribes totalling L380m (\$242,000) paid to members of the Guardia di Finanza to secure favourable inspections of the books of Fininvest companies.

There are 10 other defendants, including Mr Berlusconi's brother Paolo, four Fininvest executives and five Guardia di Finanza members.

Mr Paolo Berlusconi and Mr Salvatore Sciascia, the head of the tax department at Fininvest, have admitted making the payments but they claim that they were blackmailed into doing so. Mr Silvio Berlusconi denies any knowledge of the bribes.

John Simkins, Milan

French banks attack La Poste

French banks yesterday sharply criticised plans by La Poste to increase its financial services, telling the national postal system to stick to delivering mail.

The French Association of Banks, already fretting at what it claims is unfair advantages enjoyed by state-owned savings banks, has complained La Poste could not compete fairly because of "its large captive customer base".

La Poste denies any intention of rivaling the banks, but the loss-making public service has committed itself to keeping open all its 17,000 branches, that make far more money out of customers' savings accounts than from mail.

La Poste manages savings of FF6834bn (\$164bn), or about 10 per cent of the country's total. It already generates FF17bn in revenue a year from financial operations, compared with FF14bn from postal services. Reinforcing this, La Poste has announced plans to increase the number of its financial advice staff from 4,500 to 6,000 by 1997.

David Buchan, Paris

Ukraine pit strike suspended

Ukraine's mining union yesterday suspended its two-week strike without gaining significant concessions from the government. A union leader told Interfax news agency the miners might put their tools down again, but the strikes petered out with fewer pits willing to hold out for the higher pay and subsidies demanded by the unions.

The Kiev government refused these demands, citing the need to keep the budget deficit down. The miners at the older pits lack the economic and political clout to force the government's hand. But their walkout has seriously depleted Ukraine's fuel reserves. The government went on emergency footing this week when Russia took Ukraine off their common electricity grid for taking too much electricity, and power plants in the striking regions ran out of fuel. A harsh winter has also contributed to the energy crisis, which has forced many factories to shut down.

However, the Kiev government avoided the expensive promises made to Russia's striking miners by the Kremlin this month.

Matthew Kaminski, Moscow

Portugal reverts to GMT

Portugal is to revert to the same time as Britain and Ireland by not moving its clocks forward by an hour on March 31, Mr Antonio Guterres, the prime minister, said yesterday.

The previous centre-right government moved clocks forward an hour to Central European Time in 1992, arguing that it would benefit the economy for businesses and financial markets to be on the same time as most of the European Union. Because Portugal is the European mainland's westernmost country, this meant the sun rose after 8am in mid-winter, forcing children to travel to school in the dark for most of the school year.

Mr Guterres' centre-left government, which won a general election last October, has decided to return to Greenwich Mean Time on the recommendation of scientific experts and education officials.

Peter Wise, Lisbon

Austria keeps its savings anonymity

Austria's Chancellor Franz Vranitzky yesterday underlined his country's determination to continue to allow anonymous bank accounts, in defiance of European guidelines to combat money laundering.

His intervention illustrates how support for the accounts has unified all political parties in the face of international criticism.

They were described this week by Mr Klaus Liebscher, the central bank president, as "part of the Austrian savings culture [which] should not be touched".

A string of complaints from the US Drug Enforcement Agency and other international law enforcement bodies about Austria's anonymity laws, unique in the western world, culminated this week with official notice from Brussels that the European Commission would take Austria to the European Court if anonymity on savings accounts were not lifted.

Italian and German tax authorities have also voiced concern about their nationals evading tax.

Bank accounts have been held anonymously for 900 years in Austria, and about Sch1,400bn (\$135bn) is held in 28m savings accounts - the country's population is about 8m.

Austrians can take their savings to the bank, where they receive a book and a code word. Clerks never ask for proof of identity - for withdrawals, it is enough to hand over the savings book and write down the code word on a piece of paper.

At one time the accounts were an accepted way of avoiding tax on interest, but tax is now deducted automatically from every savings and securities account.

But people still have reasons to hide their savings from authorities.

The Austrian constitution guarantees bank secrecy, but this can be suspended where there are well-founded suspicions of tax evasion or other felonies.

Moreover, many people do not trust bank managers to be discreet about their clients' finances. Especially in small towns, a sudden windfall could quickly become public knowledge, they fear. In contrast with Switzerland, there are no serious penalties for breaking bank secrecy laws.

Psychologists see the passion

for anonymous savings as a sign of an ambivalent attitude toward money. People rarely discuss their income, even among friends, and wealth still attracts less respect than political influence or celebrity.

Economists also point to a weak entrepreneurial spirit and little concern for maximising profits.

Only about 4 per cent of Austrians own shares, and savings are seen as something to be defended, not necessarily increased. Given these cultural and emotional factors, no political party dares to take on anonymity.

Moreover, banking experts argue that the EU's concerns are misplaced. Anonymous savings accounts may be useful for petty tax evasion, but not for major money laundering - deposits are limited to

Sch200,000, which is too small to launder receipts from large-scale drug trafficking.

They admit that one person can have many accounts, but argue that laundering millions through dozens of accounts would be difficult.

Last year banks reported 310 cases, with a volume of Sch2.5bn, where they suspected money laundering. Only a handful of these involved savings accounts, the police said.

Anonymous securities accounts, used for buying bonds and stocks, which are more likely to be used for illegal transactions, will be abolished in mid-year, Mr Viktor Klima, finance minister, announced.

Eric Frey

5m tonnes to be pumped through Russian pipeline system each year

Relief as oil shipment deal signed in Baku

By the Sarikhan in Baku and Robert Corzine in London

The final stumbling block to early exports of oil from the largest foreign investment in Azerbaijan was removed yesterday when a commercial transportation deal was signed in Baku, the Azeri capital.

The agreement to ship 5m tonnes of Azeri oil a year through the Russian pipeline system was signed by officials from Transneft, the Russian oil pipeline monopoly, and the Azerbaijan International Operating Company, which represents the foreign consortium which is planning to spend \$8bn developing the offshore Chirag, Azeri and deep-water Gunashli fields in the Caspian Sea.

Mr Natiq Aliyev, head of Socar, the Azeri state oil company, described the deal as "historic".

Western oil executives said they were relieved the final hurdle to exporting oil from the fields had been overcome. They had hoped an agreement would be finalised last autumn, but there were delays in negotiating an intergovernmental deal between Azerbaijan and Russia.

The political agreement, which paved the way for the commercial deal, only came into force on Thursday, despite being signed in January by Mr Viktor Chernomyrdin, the Russian prime minister, and Presi-

dent Haydar Aliyev of Azerbaijan.

Some western executives had feared that the delay in reaching agreement with the Russians signalled a hardening of Moscow's stance towards western involvement in the Caspian Sea.

But AIOC and Azeri officials maintained that the delays were mainly caused by legal details.

Among those present at yesterday's signing ceremony was Mr Vagit Alekperov, the president of Lukoil, Russia's largest oil company and a partner in the AIOC consortium. Mr Alekperov, an Azeri by birth, has been instrumental in deflecting Russian foreign ministry criticism of western-financed oil development projects in Azerbaijan.

Socar yesterday signed a "memorandum of friendship" with Lukoil.

Mr Aliyev also welcomed Lukoil's participation in the Shakh-Deniz project, which involves British Petroleum.

The transportation agreement means that oil will be shipped from Azerbaijan to the Russian Black Sea port of Novorossiisk. A second export line through Georgia is also due to be built.

A study is under way to select the route of a main oil pipeline capable of handling peak production from the fields of at least 700,000 barrels a day.

Kadannikov attacks new privatisation plan

By Matthew Kaminski in Moscow

Russia's economic priorities ahead of coming presidential elections must be to lower inflation and resist pressure to print money, Mr Vladimir Kadannikov, the country's new first deputy prime minister, said yesterday.

But Mr Kadannikov - brought in last month to replace the sacked Mr Anatoly Chubais, the architect of Russian economic reform - strongly criticised the government's second wave of privatisation. He said the controversial shares-for-loans scheme, giving investors stakes in companies in exchange for cash, did not produce the desired result.

"I agree the state is weak in managing stakes in privatised companies, in fact I think it doesn't manage them at all," he said, calling for a new "bottom up" approach stressing strategic investment in the weaker companies and retaining government stakes in the stronger.

The new minister, who defended his own record as a factory director of Lada, presented a contrast to his younger predecessor, who staunchly backed reform. But on macro-economic policy, the substance was not markedly different.

Mr Kadannikov spoke out against protectionism, saying he had just vetoed an economic ministry proposal to raise import duties. Russian companies must compete on the global stage, he said. "We can't close our country."

He also flatly rejected the interior minister's suggestion this week to fill revenue gaps in the budget by nationalising large industries and commer-



Kadannikov: new scheme 'did not produce desired result'

cial banks. He did caution that Russia's banking system was going through "a serious crisis" that could be resolved only through consolidation.

Meanwhile, President Boris Yeltsin yesterday said the government remained committed to the trouble trading corridor at least until July 1, after the scheduled presidential vote, during a campaign stop in Chelyabinsk, an industrial centre in the Urals. He pledged to carry out the "third phase of reforms" by focusing on tax overhauls and the financial sector.

But the president, who formally launched his re-election bid this week, also has turned to economic populism, with the polls just four months off. He promises to rebuild Chechnya and increase social spending.

With an assertive Communist-dominated parliament also pressing for loosening of monetary policy, Mr Kadannikov vowed the government would not diverge from an austere 1996 budget.

Mr Kadannikov took office last week amid worries that Russia's reforms would go off track after Mr Chubais's departure. Previously director of the struggling Avtovoz automobile manufacturer, which makes the unreliable Lada, he drew wide criticism from economic reformers, who fear he will seek a stronger role for the state and slow privatisation.

Fall of the Wall mends no fences with some Berliners

By Judy Dempsey in Berlin

Since 1990, Peter and Brigitta Müller have grown vegetables on an 80 square metre plot of land in Kleinmachnow, near Berlin.

They believe the land is theirs - it has been in the family for most of this century, but the German government insists that they have to pay DM100,000 (\$44,000) for it.

For 30 years the Berlin Wall smacked through their property, dividing the Müllers from their western neighbours. Then, they could not tend their garden - it had been confiscated by the communist Defence Ministry authorities to make way for the Wall.

"The Wall and the fence got high and higher," said Mr Müller. "We were so pleased when unification came. We were sure we would get our property back." But on unification all former east German defence property automatically passed to the federal authorities in Bonn, and the authorities said that the owners of such land were not entitled to compensation or restitution.

By contrast, those whose property was confiscated by the Nazis between 1933 and

'At least there is the recognition that we have the right to have our land back'

1945 and by the communists between 1949 and 1990 are entitled to get their property back or be paid compensation.

"It was so clear to us that we should get our property back, especially since there are no outstanding claims on this land," said Mrs Müller.

Other property owners felt the same. Wolf-Dieter and Beata Golz campaigned ceaselessly to get their property back.

They set up an association to put pressure on the Berlin and federal government, drawing hostility from some of those who have their eyes on development opportunities or are simply jealous.

"We received hate mail... received threats. Clearly, there were some people who did not want us to get our land back," said Mrs Golz.

Lawyers said Mr Theodor Waigel, the finance minister, had been reluctant to consider restitution, because the federal authorities would lose valuable property, some of it in the heart of Berlin, or compensation, because it would cost too much.

After six years of pressure, court cases, and delays in investment plans by property developers, the government this month agreed to a compromise - former property owners along the Berlin Wall will be allowed have their land back for 25 per cent of the market rate.

"It's a disgrace," said Mr Müller. "Where will I get DM100,000 to buy back land which is mine in the first place? I am a pensioner; I don't have those savings. This is so unjust."

Other owners believe they have won a victory, however small.

"At one stage Waigel wanted to make us pay 75 per cent of the market price," said Golz. "At least there is the recognition that we have the right to have our land back."

EURO DISNEY S.C.A.

NOTICE OF CONVOCATION

Euro Disney Shareholders are invited to attend a Combined General Meeting at the New York Hotel, Disneyland Paris, Chessy (Seine et Marne), France, on Tuesday March 12, 1996 at 10 am.

The agenda for the meeting, a list of resolutions and the report of the Company are available from SBC Warburg, 1 Finsbury Avenue, London EC2M 2PP.

Any shareholder, regardless of the number of shares he/she holds, has the right to attend this meeting, to be represented by another shareholder and member of this meeting, or by his/her spouse, or to vote by mail.

In order to attend, or to be represented at this meeting, or to vote by mail:

- holders of registered shares must be registered at the latest five days prior to the date of the meeting;
- holders of bearer shares must ensure that the manager of their share account confirms, prior to the same date, their shareholding, as at the date of the combined general meeting, with Banque Indosuez, 96 boulevard Haussmann, 75008 Paris, France.

Banque Indosuez will provide shareholders with proxy or postal voting forms and admission cards. Shareholders wishing to vote by mail must, pursuant to legal provision, request by registered mail with acknowledgment of receipt requested, a postal voting form from Banque Indosuez or the registered office of the Company (Investor Relations Department).

In accordance with the law, shareholders are reminded that:

- any request for forms, must be received at the registered office of the Company or at the above office of Banque Indosuez six days prior to the day of the meeting, i.e. by Wednesday March 6, 1996 at the latest;
- the form, duly completed, must be received at the registered office of the Company or at the registered office of Banque Indosuez, 96 boulevard Haussmann, 75008 Paris, France, three days prior to the meeting, i.e. by Saturday March 9, 1996 at the latest;
- holders of bearer shares must attach a certificate, issued by the manager of their share account, confirming their shareholding, to the form;
- shareholders voting by mail will not be entitled to attend the meeting in person or be represented at the meeting by proxy.

The Gérant

If you are a shareholder, you can benefit from the many privileges of the Euro Disney Shareholders Club. For further information, please contact the Club by telephone: (33 1) 64 74 56 30.

Registered office: "Immeubles administratifs" - Route nationale 34 - Chessy (Seine-et-Marne) - France

Pension regimes handicap worker mobility within EU

Emma Tucker on why the Commission backs away from the issue

In the three years since Europe's single market was launched, the passage across frontiers for computers, umbrellas, dining room tables and other traded goods has undergone a transformation.

The same cannot be said for the movement of workers.

The free movement of people is a basic principle of the EU treaty, but knocking down barriers for workers who uproot their families and seek employment elsewhere in the Union has proved harder than removing obstacles to trade.

Last week the European Commission decided to postpone drawing up proposals to make occupational pensions portable within the EU. It backed off mainly because it was worried about interfering with countries' domestic pension regimes.

Instead, the matter was referred to a group set up to examine all the problems associated with free movement of people, but it will be another six months before a decision is taken on whether action at an EU level is necessary.

Mr Padraig Flynn, social affairs commissioner, who is promoting the need for EU legislation, argues that occupational pension schemes are growing in importance and are already more significant for many workers than state pensions, for which cross-border co-operation exists.

"At the moment, people who move from one job to another across Europe face losing all or part of their occupational pension rights. What this means is that there is a penalty on mobility. This is bad for the individual worker, and bad for the European economy as a



Padraig Flynn: ideas for EU legislation are too liberal for a number of countries

whole," he argues.

The problem is that even Mr Flynn's minimalist ideas for EU legislation are too liberal for a number of countries - including Germany, the Union's most powerful member state.

Germany's main defence has been that there is no need for new legislation because only 2 per cent of EU nationals actually live in other member states.

Mr Flynn counters that it is

precisely because of problems like those associated with occupational pension schemes that the figure is so low.

Another problem is that German supplementary pensions tend to be "book reserve" plans, which do not set aside pension contributions as a separate fund to back up pension promises, but incorporate them into a company's balance sheet.

This is also the situation in Sweden, Luxembourg and Spain. Book reserve systems would make capital transfers - straightforward in the case of funded pension schemes - complicated.

"Germany obviously doesn't want capital to be transferred out of Germany, and that is very short-sighted," says one pensions expert.

Although Germany has been identified as the biggest obstacle, other countries also have their reservations about the need for EU legislation and, in the end, only a handful of commissioners supported Mr Flynn.

However, there are signs that countries are altering their national legislation.

Belgium, for example, has recently reduced vesting periods to one year and officials at the Commission are optimistic that Germany's stance might alter over the next two to three years, particularly as the government seeks to improve the flexibility of the economy.

"Countries are moving in the right direction," confirms Mr de Ryck.

"The Commission should give them time to adapt their national systems, rather than impose a change now."

Under this, employees have to work for a company for 10 years before qualifying for benefits and are therefore heavily penalised if they move.

The system acts as a huge disincentive to movement within Germany, let alone to other EU countries.

"The whole idea of the German system is to create loyalty, but this is in direct conflict with the free movement of people and the free movement of capital," says Mr Koen de Ryck, of the European Federation for Retirement Provision.

Mr Flynn's idea is that vesting periods across the Union be progressively reduced to no more than five years by 2010. But authorities in Bonn are worried that such a proposal would generate pressure inside Germany to relax the rules.

Indeed, failure to do so would lead to the odd situation in which the benefits of workers moving from Germany to other EU member states were better protected than those moving within Germany to another company.

Germany's main defence has

The Financial Times plans to publish a Survey on

Latin American Mining

on Monday, April 22

There is no doubt about Latin America's geological potential. Mining companies are spending more money exploring in Latin America than in any other part of the world. The survey will give details of present developments in the mining industries of the big mineral producing countries in Latin America.

For more information on advertising opportunities in this survey, please contact:

Penny Scott in New York: Tel: (212) 688-8900 Fax: (212) 688-8229

FT Surveys

مكتبة التراث

Wife No 1 jumps ship as Dear Leader's woes grow

By John Burton in Seoul

The reported defection to the west of the former wife of North Korea's de facto leader, Kim Jong-il, is only the latest chapter in the political soap opera involving the country's ruling family.

The Kim clan is not exactly a model of Asian family values. Instead, it mixes the political intrigue of a Jeffrey Archer novel with the sexual dalliances of the Windsors.

The central plot is the bad blood between Mr Kim Jong-il and the rest of the family since he was appointed by his late father, Mr Kim Il-sung, to succeed him as North Korea's leader.

Ms Song was a beautiful young actress when Mr Kim met her in 1967 and forced her to divorce her husband. She subsequently gave birth to Mr Kim's eldest son, Kim Chong-nam.

But she later fell victim to Mr Kim's womanising and was abandoned in favour of the Dear Leader's second wife, Ms Song was sent off to Moscow and lived in a luxurious apartment provided by Mr Kim.

After staying in Russia for 13 years, Ms Song may have decided to defect because of a reported feud with Mr Kim's third and current wife, a former dancer, over which of their sons will become the heir apparent.

Some analysts believe that Mr Kim's family troubles could pose a threat to his future position. Defectors have reported that some of the North Korean elite, particularly the military, have doubts about the reclusive Mr Kim's ability to govern.

The country's economic woes and food shortages have exacerbated those concerns. If the army ever decides to stage a palace coup against Mr Kim, it will probably try to install another Kim family member as a figurehead to legitimise their action.

Devoid of a tabloid press, North Koreans, however, remain blissfully unaware of the family squabbles. Indeed, in spite of the cult of personality surrounding the Kim family, few North Koreans are even aware that Mr Kim Jong-il has had several wives.

Dirty business in the New Hampshire snows

Jurek Martin watches Republican rivals slugging it out below the belt

In one sense the Republicans were lucky. An arriving blizzard, familiar to New England this winter, was more on the minds of the local media yesterday than eight candidates in pursuit of the party's presidential nomination, all gathered in New Hampshire ahead of Tuesday's primary election.

Even they might concede it a blessing if the snow obscured the rising mound of dirt and mud that has attached to their campaign over the last 24 hours. Their televised debate in Manchester on Thursday night was an unedifying apotheosis of the negative.

Most caught in the crossfire was Mr Pat Buchanan, a close second to Senator Bob Dole in the New Hampshire polls. Just hours before the debate, the conservative commentator had placed "on leave" one of his four national campaign co-chairmen, a Mr Larry Pratt, revealed to have spoken at several meetings of white supremacist groups in the last few years.

Mr Lamar Alexander, running third and rising, had also found himself with a lot to explain. A series of media reports inviting the title of Tennessee governor alleged that the former governor and state university president had diverted contracts and business to friends and family, substantially enriching himself in the process.

In response, Mr Kim has exiled his rival siblings by appointing them to diplomatic posts in Europe.

There is also little love lost between Mr Kim and his uncle, who, as the younger brother of Kim Il-sung, had been originally groomed to succeed him but was dropped in favour of Kim Jong-il. The uncle is one of North Korea's four vice-presidents, but he has not been seen in months.

The apparent defection of Ms Song Hye-rim, Mr Kim's first wife, indicates new troubles on the home front and yet another succession battle.

Ms Song was a beautiful young actress when Mr Kim met her in 1967 and forced her to divorce her husband. She subsequently gave birth to Mr Kim's eldest son, Kim Chong-nam.

But she later fell victim to Mr Kim's womanising and was abandoned in favour of the Dear Leader's second wife, Ms Song was sent off to Moscow and lived in a luxurious apartment provided by Mr Kim.

After staying in Russia for 13 years, Ms Song may have decided to defect because of a reported feud with Mr Kim's third and current wife, a former dancer, over which of their sons will become the heir apparent.

Some analysts believe that Mr Kim's family troubles could pose a threat to his future position. Defectors have reported that some of the North Korean elite, particularly the military, have doubts about the reclusive Mr Kim's ability to govern.

The country's economic woes and food shortages have exacerbated those concerns. If the army ever decides to stage a palace coup against Mr Kim, it will probably try to install another Kim family member as a figurehead to legitimise their action.

Devoid of a tabloid press, North Koreans, however, remain blissfully unaware of the family squabbles. Indeed, in spite of the cult of personality surrounding the Kim family, few North Koreans are even aware that Mr Kim Jong-il has had several wives.

Both were meat and grist for a debate in which the three leaders, plus Mr Steve Forbes, the apparently fading magazine publisher, showed that their collective promise to forswear negative advertising was not worth the paper it was never written on. The four minor candidates still in the field and on the podium, standing in alphabetical order, could hardly get a word in edgewise.

Mr Alexander, speaking first, opened up by saying to Mr Dole: "You're better than your negative ads: why don't you pull them?" The

majority leader replied by pulling a family photograph from his pocket and countered that the commercials against him should use a picture of his dog (naturally called Leader) rather than the unflattering portraits designed to make him look odd.

Mr Forbes, who slumped in Iowa because of his negative commercials, has an uplifting series for New Hampshire devoted to medical savings accounts. But that did not stop him rounding on Mr Alexander with the accusation he had con-

ducted a "\$2m scam" in Tennessee. Mr Alexander promptly challenged the wealthy publisher to make public his income tax returns.

But the nastiest exchanges were between the two frontrunners. Mr Dole has a new commercial out calling Mr Buchanan "an extremist" and earlier had commented that Mr Buchanan should have fired Mr Pratt outright.

That got Mr Buchanan going. "I'm extremist, why are you pirating my ideas and prating my rhetoric?" he snapped at Mr Dole. "I don't

think you can call us extremist when you are becoming a pretty good echo of Pat Buchanan."

"You have a bad day or something?" Mr Dole shot back wickedly, in a reference to the Pratt affair. "Pat is off on this isolationist thing. (In reality Mr Dole has begun to pick up some of Mr Buchanan's economic nationalism themes.)

But Mr Buchanan was not about to throw his co-chairman to the wolves, at least not on Thursday night. In his concluding remarks he

said the attack on Mr Pratt was "a sure sign I'm winning" and was a direct assault on "the gun owners of America", for whom Mr Pratt also lobbied.

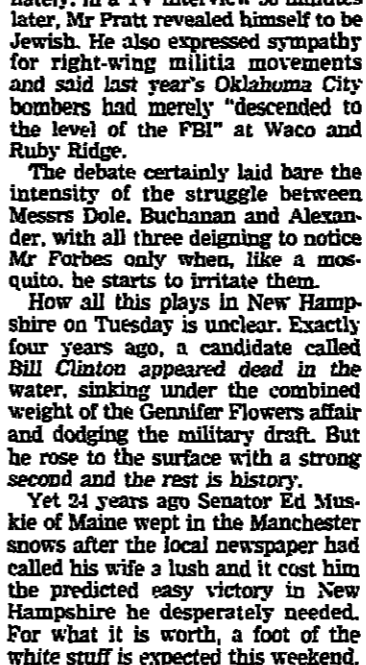
"He's a devout Christian," Mr Buchanan added for the benefit of his hardcore supporters. Unfortunately, in a TV interview 90 minutes later, Mr Pratt revealed himself to be Jewish. He also expressed sympathy for right-wing militia movements and said last year's Oklahoma City bombers had merely "descended to the level of the FBI" at Waco and Ruby Ridge.

The debate certainly laid bare the intensity of the struggle between Messrs Dole, Buchanan and Alexander, with all three deigning to notice Mr Forbes only when, like a mosquito, he starts to irritate them.

How all this plays in New Hampshire on Tuesday is unclear. Exactly four years ago, a candidate called Bill Clinton appeared dead in the water, sinking under the combined weight of the Genflair Flowers affair and dodging the military draft. But he rose to the surface with a strong second and the rest is history.

Yet 24 years ago Senator Ed Muskie of Maine went in the Manchester snows after the local newspaper had called his wife a lush and it cost him the predicted easy victory in New Hampshire he desperately needed. For what it is worth, a foot of the white stuff is expected this weekend.

Black looks from Dole (left) as Buchanan speaks during a televised debate



Mandela health rumours hit rand

By Roger Matthews in Cape Town and Philip Gawth in London

The South African government was yesterday reminded of the vulnerability of the rand when the currency suffered its most turbulent day since the first democratic elections, in April 1994.

Fuelled by rumours about President Nelson Mandela's health, and the possible easing of exchange controls, the rand at one point dropped to an all-time low of 3.98 to the dollar, a fall of nearly 6 per cent.

Traders said the move had been exaggerated, but investors were expected to remain wary. "It serves as a reminder that the underlying nervous-

ness is still there, that this is quite a risky country," said one London analyst.

Optimism about South Africa's prospects saw foreign investors become heavy buyers of South African shares and bonds last year. These purchases increased further in 1995, helping to bolster the rand. It had consistently traded in a narrow band around 3.65 to the dollar since the abolition last March of the financial rand, the foreign investment currency.

The rand later recovered some of its early losses to close in London at R3.78 from R3.66 on Thursday, but nervousness spilled over into other markets, with the yield on the benchmark R150 long bond rising to

13.65 per cent, from 13.33 per cent, while the industrial share index lost 48.8 points to finish at 8,526.1.

The Reserve Bank confirmed that it had entered the market, but said this was to ensure liquidity rather than to support the currency.

Rumours about Mr Mandela's health surfaced in Europe late on Thursday and gained ground when markets opened yesterday. A smiling, relaxed president later said he felt on top of the world, adding that the rumour of his ill-health was less serious than two previous ones which had provoked him to death.

Speculation has grown in recent weeks that a relaxation of exchange controls is immi-

nent. Mr Mandela said last week it was not a question of if, but when, they would go.

Analysts said yesterday's events had probably set back the process.

Mr Chris Liebenberg, finance minister, said he was "not ready to announce any relaxation of foreign exchange controls at the moment".

While the sharp move took markets by surprise, a correction in the value of the currency was not unexpected. Mr Graham Bell, economist at Standard Bank in London, said: "The rand had risen in real terms over the past year and imports had been flooding in, which suggests it was probably a bit expensive and needed to correct."

Senator tries to break US-UK air travel impasse

By Michael Skapinker, Aerospace Correspondent

Senator Larry Pressler, chairman of the US Senate transport committee, is to introduce legislation to allow foreign airlines to own up to 49 per cent of US carriers. The existing limit is 25 per cent.

Mr Pressler's proposal is aimed at breaking the deadlock in UK-US aviation relations. Negotiations between the two countries broke down in October when the US said UK proposals to increase access to London's Heathrow airport were too restrictive. The right of foreign airlines to own up to 49 per cent of US carriers is a long-standing UK demand.

The US, which has reached "open skies" agreements with Germany and nine other European countries, has been frustrated at its failure to reach a liberalised accord with the UK. In a speech to the Interna-

tional Aviation Club in Washington, Mr Pressler also supported UK demands that British carriers be allowed to bid for contracts to transport US civil servants.

The senator's initiative comes after administration officials said they would block any attempt by British Airways to form new airline alliances in the US unless the UK agreed to grant US carriers greater access to Heathrow airport.

BA said last month it had decided not to increase its 24.6 per cent investment in USAir. US officials have said that BA would not have received permission to increase its stake.

US officials also said BA would find it hard to win approval for any new code-sharing pacts with US carriers.

Code-sharing allows an airline to sell seats on flights operated by its partner carrier. Some aviation industry executives believe BA would like to

conclude a code-sharing alliance with American Airlines. Mr Pressler made it clear that BA would only be able to take advantage of any new legislation if the UK agreed to greater access to Heathrow.

Although a Republican, the senator is a strong supporter of the approach taken in aviation negotiations by Mr Federico Peña, the US transport secretary.

Mr Pressler said that if the UK was prepared to be more flexible over Heathrow, the US should be prepared to change its "fly America" policy, which places limits on foreign carriers' right to bid for US government contracts.

Last year UK carriers won the right to carry US civil servants from five US cities to London, but not to points beyond. The UK airlines say this deprives them of 40 per cent of US government business.

INTERNATIONAL NEWS DIGEST

Nigeria to open economy

Nigeria said yesterday it planned to open new sectors of its economy to private enterprise to boost growth. Private companies will be able to compete in telecommunications and in the generation and distribution of electricity. Mr Anthony Ani, the finance minister, throwing light on the 1996 fiscal budget broadcast late on Thursday night by military ruler General Sani Abacha, said the government was aiming at growth of 4.94 per cent compared with 2.17 per cent last year.

Electricity and telecommunications are at present the preserve of giant government corporations which, although now commercialised, remain much criticised by the public for inefficiency. Mr Ani said in addition that the government had decided that some of its enterprises ranging from oil refineries to steel mills would be leased out this year and others would be handed over to outside professionals for better management.

In the budget, the military government opted to continue with monetary policies tagged "guided deregulation" introduced last year, which have stabilised the exchange rate although at a much lower level than envisaged.

Nigeria's dual exchange rate system will continue, with an official rate of 22 naira to the dollar for a few government transactions, while all other businesses use a market where the naira is worth only a quarter as much. *Reuters, Abuja*

Mrs Zia wins flawed election

The Bangladeshi prime minister, Mrs Khaleda Zia, (left) swept to an unchallenged victory yesterday in an election tainted by widespread violence and reported election fraud. Opposition parties, which boycotted Thursday's election, dismissed the results as meaningless, and independent monitors denounced the vote as "flawed from the beginning". Election officials nullified the vote in 2,431 polling stations, more than 10 per cent of the 21,000 balloting centres. By early yesterday, Mrs Zia's

Bangladesh Nationalist party had won all but one seat of the 185 announced by the Election Commission, already obtaining an absolute majority of the 300 contested seats. An independent monitoring group of 1,000 observers estimated the turnout at up to 15 per cent of the country's 56m voters.

Opposition leader Sheikh Hasina said the government had "lost its legitimacy and authority to govern" and called for a new election within 90 days, conducted by a caretaker government headed by the Supreme Court chief justice. The conflict between Mrs Zia and Mrs Hasina, two charismatic women who each inherited the leadership of a political dynasty, has paralysed the government and divided the nation for 22 months. *AP, Dhaka*

Mexican rebels sign first accord

Mexico's Zapatista rebels signed a first peace accord with the government yesterday, in their boldest step so far towards ending their two-year uprising, a government official said. Mr Sergio Arturo Venegas, a member of the government delegation negotiating the accord, said the two sides signed a deal covering Indian rights and culture behind closed doors in the southern town of San Andres Larrainzar. Yesterday's accord covering Indian rights is the first of six agreements that have to be worked out between the government and the Zapatistas to put a final end to the rebel uprising, which began in January 1994. *Reuters, San Andres Larrainzar*

Fears of 'hollow' Hong Kong grow as China takeover nears

By John Riddling in Hong Kong

Mr CK Ho will not be spending the lunar new year in Hong Kong, as he has for the past 45 years. Last week the electronics executive boarded a flight to Canada, where he is moving with his family. "I am not taking the risk," he said, referring to Hong Kong's return to Chinese sovereignty next year.

The main question facing Hong Kong as the transfer date approaches - 500 days from today - is how many will make similar journeys.

For the moment, the signs point to an increased outflow, but not an exodus. Mr Michael Golyer, director of the Hong Kong transition project at Baptist University, yesterday presented the findings of his team's latest study. He believes the flow of emigrants is set to increase this year to between 90,000 and 100,000, compared with about 60,000 in 1995 and 55,000 in 1994. "We may see as many as 200,000 leave between now and June 1997," he said.

The increase, supported by statistics of visa applications at foreign consulates, reflects the looming deadline and continuing worries about the handover. There has also been a

Table: How Hong Kong residents see themselves (%)

rise in the number of families leaving, as distinct from individuals, securing rights of abode overseas before returning. Partly because of this practice, the potential for departures is much greater than current trends. Diplomats cite figures of between 500,000 and 600,000 who could leave immediately, out of a population of about 6m. Mr de Golyer believes the figure is higher. "Six per cent of those we ask, over the age of 18, say they have a right of abode elsewhere. If you add a multiplier to that for family members and those with relatives abroad, then the numbers are much greater." However, few believe that what is possible is also prob-

able. "It is natural that those who can get insurance have been doing so. It is a pragmatic response," said Mr Ian Parkin, assistant director of the Hong Kong Chamber of Commerce. "The mood is not grim," said one diplomat, pointing to this year's 15 per cent leap in the local stock market. "What is striking is how many people are coming back."

Yesterday's survey provides grounds for optimism. Although the proportion claiming not to be worried about living standards, personal freedoms and political stability after 1997 remained less than 50 per cent, those with a positive view of the Chinese government and those identifying themselves as Chinese both saw increases.

The risk is that even a relatively small outflow could have significant consequences. "If key professionals, such as doctors, lawyers and accountants were to leave, and they are coveted by other countries, then there would be a very damaging impact," said Mr de Golyer. Others fear a "hollowing out" of Hong Kong society, arguing that the dominance of service sector industries makes the economy particularly sensitive to sentiment. How hollow Hong Kong becomes will depend on a series of decisions due this year. These include the selection of the chief executive, who will run Hong Kong after the handover, and the conditions under which Hong Kong passport holders will retain the right of abode. The mounting tension between China and Taiwan is another factor which could have a profound effect on Hong Kong confidence. For some, the risk lies more in an accumulation of incidents. "A hard line on the right of abode, repressive acts in China and a lack of credibility in the new political institutions could create a critical mass," said Mr de Golyer.

BB INDUSTRIE HOLDING AG



The Performance

1995 was marked by a disappointing trend in the share performance of capital goods companies in Europe. The turbulences in the currency markets were seen as the main cause in the first four months of the year. As the year progressed, however, the general worsening of economic prospects in Europe became the dominant factor. This led to less favourable earnings prospects and to falls in capital goods share prices. Some BB Industrie holdings were also affected by this trend. While BB Industrie bearer shares lost 6.1% and dropped to Sfr. 2,150 in the course of the year, the net asset value was decreased by 4.8% to Sfr. 2,251. BB Industrie was not satisfied with this course of events and has become more proactive with some of its holdings.

During 1995, in cooperation with the Board of Directors of Saurer AG, BB Industrie was able to bring about changes which had become necessary because of the unsatisfactory trend in the business. The Board of Directors was strengthened by Prof. G. Behr and Mr. M. Timmermann, and a management team headed by Dr. Ernst Thomke has taken over the management of the company. BB Industrie is confident that with this new management team and the stronger focus on operational activities Saurer will be able to achieve a sustained turnaround within the next years. 1995, BB Industrie has increased its holding by more than 200,000 shares to over 30% of the shares outstanding of Saurer AG and has therefore become the largest shareholder in the company.

As already announced in September BB Industrie has liquidated its entire holding in Sulzer. As a result of Elektrowatt AG's takeover bid for Landis & Gyr AG in December 1995, it was possible to sell this holding at a profit effective February 1996.

The Portfolio

Security holdings in percent (Marketable Securities of Sfr. 606.5 million)



In 1995 BB Industrie took its first equity stake in a foreign company. The Spanish stainless steel manufacturer Acerinox is one of the low-cost producers of stainless steel in Europe. Nevertheless, Acerinox was also affected by the worsening of underlying economic conditions. The increasing deterioration of the construction industry in Europe during the year caused an unsatisfactory performance of Arbonia-Forster shares. In Acerinox and Arbonia-Forster, BB Industrie took advantage of the weaker stock prices to increase its stake in these companies. After Dr. Ernst Thomke had taken on the operational responsibilities at Saurer, he resigned as Chairman of the Board of Directors of BB Industrie in September 1995. We would like to thank Dr. Ernst Thomke for the contributions made and wish him all the best in his new position. We wish to thank our shareholders for the confidence they have shown in BB Industrie. After an unsatisfactory performance in 1995, we are expecting a positive development in 1996, particularly because of the promising outlook at Saurer and Rieter.

The Board of Directors of BB INDUSTRIE HOLDING AG

Dr. Hermann Chr. Goldkamp Prof. Dr. Hugo Tschirky

For the latest report of BB Industrie AG please contact:

BELLEVUE ASSET MANAGEMENT AG Grundstrasse 12, CH-6343 Rotkreuz Tel. (41 42) 64 50 01, Fax (41 42) 64 50 38

£1m reward offered to catch bombers

By John Kampfer in London and John Murray Brown in Dublin

British police yesterday arrested several people in their search for Irish Republican Army bombers as Sinn Féin came under strong pressure to seek a restoration of the Northern Ireland ceasefire. Sinn Féin is the political wing of the IRA.

Former US Senator George Mitchell is needed urgently as a peace envoy in Ireland, Mr Bertie Ahern, leader of Fianna Fail, the biggest opposition party in the Republic of Ireland, wrote in the Dublin *Irish Times* yesterday.

Police have established that the Ford truck used in the Docklands bombing travelled to the London area from the Scottish port of Stranraer, which has a ferry link to Ireland.

Senator Mitchell alone can speak to, and has the trust of, all parties to the conflict... His six principles and phased decommissioning of weapons held by paramilitary groups are needed so that we do not fall back into the rut of old arguments which have delayed the peace process so much up until now.

Police have established that the Ford truck used in the Docklands bombing travelled to the London area from the Scottish port of Stranraer, which has a ferry link to Ireland.

Officials of the government of the Republic of Ireland met Mr Gerry Adams, Sinn Féin

relation to the breakdown of the IRA ceasefire. Thousands of people attended marches against terrorism in Northern Ireland while Mr Spring launched a peace campaign in the Republic. Pro-British loyalists joined a small group of Sinn Féin supporters at a demonstration in Belfast.

Ms Marjorie Mowlam, the British Labour party's shadow Northern Ireland secretary, said the leaders of the two main parties representing British paramilitary groups in Northern Ireland had assured her that they were working to prevent any slide back into sectarian violence.

Music industry seeks big earners

By Alice Rawsthorn in London

The UK music industry should have good cause to celebrate at the annual Brit awards ceremony in London on Monday. More than £1bn (£1.54bn) of albums and singles were sold in the UK last year and overseas earnings rose above £1.4bn.

Young British bands such as Oasis and Bush currently have Top 10 albums in the US. But the industry faces the challenge of maintaining momentum in Britain and nurturing new international stars to replace enduring "dinosaurs" such as Eric Clapton and Elton John who have been around since the 1960s.

There's so much competition that deals are getting more expensive, says Mr Ray Cooper, deputy managing director of Virgin Music (UK). "But it's easier for UK labels to get deals for artists in the States, because the Americans don't want to miss out on the next Oasis."

The US is important to UK artists because it is the world's largest music market and because a hit there makes it easier to break into Asia and Latin America. The dearth of recent US breakthroughs has left British music exports heavily dependent on ageing stars. The youngest of the 10 musicians with the highest disclosed earnings last year, according to the Media Research Publishing research consultancy, was 41-year-old Annie Lennox.

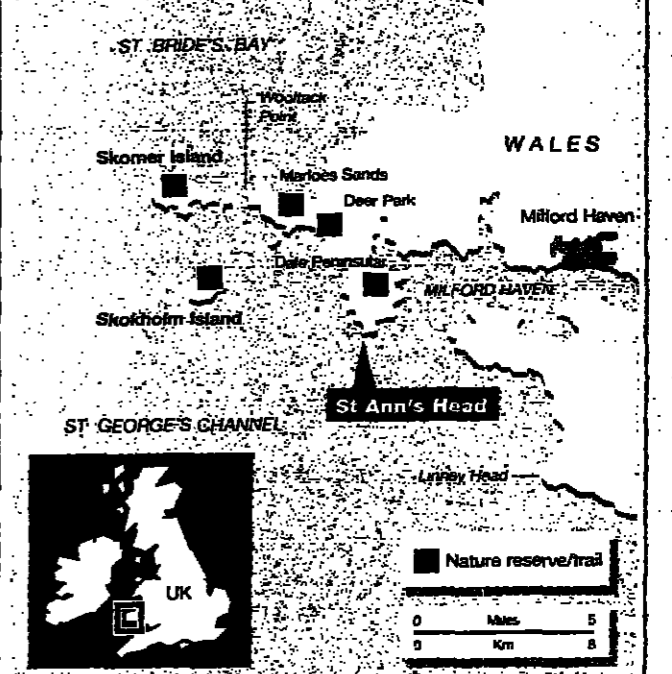
UK NEWS DIGEST

Aon offshoot is fined £110,000

Combined Life Assurance Company, a subsidiary of Chicago-based insurer Aon Corporation, was fined £110,000 (\$169,400) by Lauto, the regulator for the life assurance sector. Lauto also imposed £20,000 costs for failures in CLAC's compliance processes for 2 1/2 years to January last year.

Tanker runs aground

The oil tanker *Sea Empress* was last night listing heavily and low in the water after running aground on rocks at St Ann's Head as she entered Milford Haven in south west Wales. About 4,000 tonnes of the 140,000 tonne cargo was estimated to have leaked from ruptured tanks.



Russian crew of 28, hit rocks a few hundred metres offshore. She was bound for a Texaco refinery, where her cargo of North Sea crude was to be refined into petroleum. Milford Haven is one of Europe's three largest oil ports, together with Sullom Voe in Scotland and Rotterdam. It handles 32m tonnes of oil a year.

Claim against bank dropped

Liquidators of Bishopsgate Investment Management, a fund management company set up by the late publishing tycoon Robert Maxwell, gave up their claim for more than £40m (£61.6m) from Credit Suisse, the Swiss bank. The decision represents a reversal for the efforts of trustees of the Maxwell pension funds and liquidators of BIM to retrieve the £400m which Maxwell removed from pension funds. Last year, trustees of the Maxwell pension funds won £276m from Goldman Sachs and Lehman Brothers, the US investment banks; from Coopers & Lybrand, auditor of the failed Maxwell Communication Corporation; and from other Maxwell group companies.

Shares owned by the Maxwell pension scheme and managed by Bishopsgate Investment Management were passed to Credit Suisse as security for a £50m loan facility granted in 1990 by the Swiss bank to Robert Maxwell Group. Robson Rhodes, liquidators of BIM, launched legal action against Credit Suisse, claiming back over £40m and alleging misconduct by the Swiss bank. After 180 days of trial and several days of out-of-court negotiations, the liquidators agreed to drop all claims.

Sumitomo offshoot expands

The Japanese-owned Surface Technology Systems is to expand in south Wales with a \$5m (\$7.7m) purpose-built plant expected to create an additional 100 jobs. The company, a subsidiary of Sumitomo Precision Products, makes plasma systems used in integrated circuits and other microchips. In March last year, Sumitomo took over STS, which is based at Abercromby, where it employs 84 people. Turnover has since increased rapidly, with 95 per cent of sales exported, and it has already outgrown the site. The project is receiving grant support from the British government.

Pharmacia & Upjohn closure

Pharmacia & Upjohn, the newly merged Swedish-American group, yesterday announced the closure of its manufacturing site at Crawley, near London's Gatwick airport, with the loss of 200 jobs. The move is part of a worldwide restructuring which will see the group close up to half its facilities. There will be no other closures in Britain. The group is setting up its world headquarters in Windsor and its UK headquarters at the former Pharmacia offices in Milton Keynes to the north of London. Crawley, which manufactures animal and human health products, is a former Upjohn site.

Passport theft: Police in the English Midlands have arrested 20 people after finding forged and stolen passports buried in a garden. The discovery has led to the deportation of a number of people.

Unravelling the mysteries of Equitas

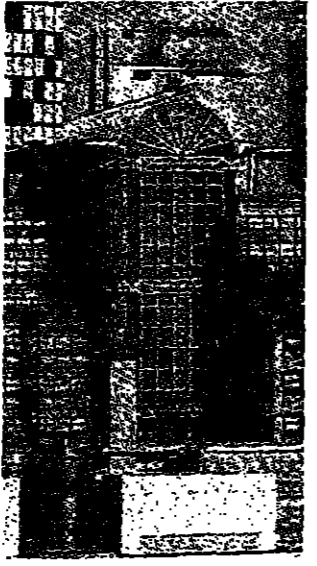
By Ralph Atkins, Insurance Correspondent

A guide to the maze ahead for aggrieved Names

Lloyd's of London plans to ensure its future by splitting into two. Past problems arising from insurance policies sold before 1993 - particularly the huge US pollution and asbestos-related liabilities - will be spun off into a new company, Equitas. "Names" should then be free to regain its place at the centre of the world insurance industry.

Implementing the package will be far from easy. Many angry Names are bent on obtaining compensation - and, often, retribution. But the market's resources are stretched. The out-of-court offer - worth £2.8bn (\$4.8bn) - is about capping excessive losses and writing off some money owed by Names, rather than making full refunds for losses.

What happened this week? Lloyd's set out principles for allocating the £2.8bn fund. It was a near-impossible task because of the difficulties in finding a workable deal while protecting the interests of those who paid debts while others refused. The document also had to judge how far to balance interests of litigating and non-litigating Names. Inevitably, everyone found some reason to moan. But nobody is going to give unqualified support at this



LLOYD'S LLOYD'S OF LONDON stage in negotiations. Who is offering what to whom? The £2.8bn consists of £2bn in debt write-offs and the £800m contributed by insurers which covered Lloyd's professionals against negligence awards. Helping to fund the package, including the cost of setting up Equitas, will be the early release of profits earned in recent years, a levy on Names still underwriting, the sale of the famous headquarters build-

ing in the City, and contributions from agents and "new" Lloyd's. Can Names work out what the package means for them? Not yet, mainly because the cost of Equitas is still being calculated. Individual "indicative" statements are promised in early March but could be revised. Final statements are due late in May, and Names will be asked to accept or reject in June.

What do I need to know about Equitas? Equitas is a new company taking on old liabilities in return for a "reinsurance" premium. For Names, it is important because it will cap their liabilities, bringing certainty to their finances. Although still theoretically liable should Equitas fail, that would at last allow Names to sign a final cheque and leave - known in Lloyd's jargon as "finality". Because resources are being pooled, Equitas offers significant economies of scale. Names will have to pay for it, but the settlement offer will help. Might the deal be rejected? This week's proposals would mean that once Names' deposits at Lloyd's had been exhausted, nobody would have to find more than £100,000 extra to pay for "finality". But many loss-making Names point out that £100,000 is still a lot of money - and drawing down on deposits secured on property could cost some their homes.

Names want a £50,000 cap. Will the £2.8bn be increased? Probably. Chairman David Rowland would not make guarantees this week but said Lloyd's was "working very hard to raise additional funds". These could come from auditors and brokers working at the market and perhaps bank loans, levies on insurance premiums, or extra sums from Lloyd's agents handling Names' affairs. What happens if the recovery plan fails? Lloyd's hints strongly that it would have to stop taking new business and paints an apocalyptic vision of Names' assets being snatched by insensitive government administrators to cover claims on policies already sold. At the very least, it would mean agonising uncertainty while the mess was sorted out.

Is May really the cut-off date? For Lloyd's to admit there was any flexibility would undermine its negotiating stance. It has also to pass regulators' solvency tests in August. But there might be some room for slippage. Will Names who have spent most on expensive lawyers get most money? Under this week's proposals, 75 per cent of the £2.8bn would go to actively litigating Names. Lloyd's needs to see litigation dropped if its plans are to work. Why doesn't Lloyd's carry out

"wealth checks" on Names to stop those who have refused to pay debts, despite having the funds, from benefiting? This is becoming an emotive subject. Many Names object strongly to the idea of "means-testing" which they regard as an insult. It is also unclear how many genuine "won't pay" there are.

There are practical problems, too. It would be impossible to investigate thousands of Names' affairs in the time available. And those who had carefully "distanced" assets would probably continue to escape notice even if Lloyd's attempted such an exercise. Isn't there a "blacklist" of those excluded from the deal? Yes. Lloyd's council will exclude those who have, through demonstrated misconduct, contributed to Names' losses. What - or who - that means has not been decided. But it could include prominent figures from Lloyd's past. What has happened to the "hardship" scheme? Lloyd's old hardship scheme, which allowed the worst-hit Names to maintain a modest standard of living, is closing at the end of this month; by then, around 1,600 deals are expected to have been struck. The scheme allowed a joint disposable income of £17,500 a year and a modest house. But the recovery plan will include something akin to hardship. Those who cannot afford the £100,000 cap will be eligible, on a means-tested basis, to tap £150m set aside to help.

WEEKEND BUSINESS

LESLEY SUMNER
0171 873 3308

BUSINESSES FOR SALE

MARKET LEADER OFFERS
CENTRAL LONDON
GREETINGS CARD FRANCHISE

- Potential to double existing turnover within 12 months
- 160 shops selling 3,300 cards per month
- Huge scope with 3 superb ranges containing over 300 designs
- Current profit £26,000 per annum
- Price £32,000+ Stock (SAV=10K)

ENGLISH SHOP LE TOUQUET
Well established ca. £80,000 T/O.
Good margins.
For sale as going concern.
£5,000 plus stock at valuation.
Quick response essential due to departure of owner.
Fax: 0433 2105918

BUSINESS SERVICES

SAVE ON INT'L PHONE CALLS!
Ask about our new lower rates worldwide. Now featuring Faxaway and int'l Internet access!

In the UK: Call: 0800-96-4016
Fax: 0800-96-4019
In the US: Call: 1-206-216-6161
Fax: 1-206-216-6262

Software Development
Headaches?
If your business is suffering from:
- missed deadlines
- poor quality
- lack of functionality
then your company would benefit from our two day initial consultation. If you carry the responsibility for these types of problems, then call
Deadline Consultants on 0171 721 7868
(Fax 0171 721 7867)

BUSINESSES FOR SALE

Appear in the Financial Times on Tuesdays, Fridays and Saturdays.
For further information or to advertise in this section please contact:
Lesley Sumner Tel: 0171 873 3308
to fax: 0171 873 3064

CHARLES WHITEWOOD
0171 873 3503

Home & Office Software

UNIVERSAL EXOTICS, OPTIONS, SWAP, YIELD, ZERO-CURVE ADD-INS
Additional spreadsheet functions for Financial Markets Professionals using Lotus 1-2-3 and Excel (Windows, OS/2, Mac). European and American style options and warrants on bonds, commodities, currencies, futures and shares.
Price range from £69 to £2,495.
"S&B" Financial Software
A Division of PFK Limited
The Royal House, 13th floor
Aldersbury Square
London EC2V 7JF
Tel: +44 (0) 171 - 600 6033
Fax: +44 (0) 171 600 4102

FINALLY, REAL-TIME DATA YOU CAN AFFORD STOCKS, CURRENCIES, BONDS, DERIVATIVES AND NEWS
Taming provides global real-time financial data direct to your PC at the lowest possible cost. Our Windows platform facilitates seamless interfacing with other Windows applications.
Available across Europe.
Call Terence on 0171 405 4541

MOVE TO SLAR
If you are a serious investor in the London equity market and require broad coverage and flexibility, this software system is a must. The program can help you select the right investments and can help protect against losses. With only £250.00 invested you need to show just 1% improvement to offset the annual cost. Don't delay, your investments need the SLAR investment.
Synnergy Software 01852 424282

OMEGA RESEARCH
Start now with the world's finest analysis software for Windows:
SuperCharts and Global at £ 199.95 and Trade Station (S995 - \$1895) combine the ultimate in ease of use and custom programmability to work on multiple end of day and real-time feeds. Both come with 30 day moneyback.
Call UK 0161 700 1560 now for brochures, or demo disks (S5) for either package.
Spain +34 71 402834 for rest of Europe.

REALTIME & END-OF-DAY TECHNICAL ANALYSIS SOFTWARE FROM INDEXIA
Three Powerful Technical Analysis systems to choose from:
- Real-time updating from PC Market-Eye, Teletext, Reuters & Satellite Feeds.
- End-of-day download OCHLV data for all UK Equities in 30 seconds - only £4.20 per month.
INDEXIA Research, 121 High Street, Bournemouth BH4 2DU.
Tel: 01442 878019 Fax: 01442 878034

CENTRAL SOFTWARE UNIT TRUST SYSTEM
Robust Networked Package Recommended by top Fund Managers. Complete functionality. Multi-currency. Multi-jurisdiction. Correspondence. European and Arabic. High Staff Productivity. A totally modern operating Platform for IT Efficiency.
John Desmond Central Software
Tel: 01824 624627 Fax: 01824 624703
Bill Neilsen PC Select 400
01783 244 256 Fax: 01783 244548

Put your business on the World Wide Web
WebPRO
Tel: 0181 245 2545
Fax: 0181 245 1611
http://www.webpro.co.uk
E-Mail: info@webpro.co.uk

EIS & THE INTERNET
Surfboard or luxury yacht?
OIM are specialists in Rapid Application Development and the Internet. We can:
- Build you a new Internet aware EIS (Executive/Enterprise Information System).
- Integrate your legacy systems with the Internet or your organisation's virtual Design, build and run your Web Site.
Start designing your luxury Internet Yacht... Call us or visit our Web site for more information.
OBJECT MANAGEMENT LTD
Client Services
High Street
Westerham
Kent TN16 1RD
Fax: +44 (0) 1899-855794
Fax: +44 (0) 1899-855795
E-mail: info@object.co.uk
WWW: http://www.object.co.uk

REAL TIME & END-OF-DAY TECHNICAL ANALYSIS SOFTWARE FROM INDEXIA
Three Technical Analysis systems available:
- Updating in Real-time from PC Market-Eye, Teletext, Reuters & Satellite Feeds.
- Update End-of-day OCHLV data for 4500 equities in only 30 seconds.
INDEXIA Research, 121 High Street, Bournemouth BH4 2DU.
Tel: 01442 878019 Fax: 01442 878034

TRADING MADE EASY
Beginner or professional, MDC can supply you with the best investment software package: MetaStock - Supercharts - TrendStation - SuperTrader (including without modern) - Option Evaluator. MDC also stock over 900 book titles, videos and magazines on a variety of trading topics.
Call or fax for a free catalogue.
Market Data Centre,
15-21 Great Tower Street, EC3R 5AQ
Tel: 0171 522 0091
Fax: 0171 522 0095

Yes, that's Right!
The BIS for Windows!™ real-time software covers LIFPE, CBT, CME, Forex and all currencies. Available on IBM, Sun, and 32/64 bit PCs. Monthly payment. Free delivery & 90-day moneyback.
Works with Trade Station, Teletext, Supercharts, TrendStation, SuperTrader, and others. BIS for Windows 4.0 comes with Charts, Quotes Services, DDE etc. all in one package.
Europe call Spain +34 71 402834 anytime UK +44 (0) 161 700 1560 anytime
Internet: http://www.bis.com or CompuServe: 76721,2444

LEGAL NOTICES

In the High Court of Justice - No 80127 of 1996
Chancery Division

IN THE MATTER OF ACCOUNTANCY TUITION CENTRE LTD and
and
IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice, Chancery Division dated 7th February 1996 confirming the reduction of capital of the above named Company from £5,500,000 to £222,000 and the cancellation of its share premium account amounting to £501,731 and the Minutes approved by the Court during the above mentioned proceedings, together with the order of the High Court of Justice dated 14th February 1996, which altered the several particulars required by the above mentioned Act were registered by the Registrar of Companies on 9th February 1996.

Slaughter and May (R.L.H.)
33 Abchurch Lane
London EC4N 3DF
Solicitors for the above named Company

The Scott report on arms for Iraq Export licensing may be reviewed

By Michael Cassell, Business Correspondent

A fundamental review of export controls and licensing, based on emergency legislation introduced in wartime Britain and still in force, could follow Sir Richard Scott's report on arms for Iraq. The 1,800-page report, which included criticisms of ministers and the government, was published on Thursday.

Despite recent moves within the Department of Trade and Industry to modify a system intended to prevent exports deemed to be "against the national interest", Sir Richard called for its urgent overhaul. He criticised present arrangements which gave the government "unfettered power to impose whatever export controls it wishes and to use those controls for any purposes it thinks fit". Sir Richard called instead for a licensing system and procedures "suitable for the peacetime requirements of a trading nation in the post-cold war era".

Police seek commercial sponsorship

By Alan Pike, Business Services Correspondent

The private sector is to be asked to contribute 1 per cent of North Yorkshire police force's budget under unusual proposals for commercial sponsorship.

North Yorkshire, which covers the biggest area of any single-county force in Britain, has appointed what it believes is the first sponsorship officer in the British police service. Private sector organisations will be offered the opportunity to raise their image through association with the "strong brand name" of the police.

Mr David Burke, chief constable of North Yorkshire, said: "For a long time now North Yorkshire police force has been struggling with a cash shortage which has made it increas-

ingly difficult to provide the service required by the public. Through the private sector, we aim to improve that level of service. This is a great opportunity for the business world."

Senior officers recognise that sponsorship may provoke public fears that the police service's integrity and neutrality are being undermined. But Mr Roy Philpott, the newly-appointed sponsorship and marketing officer, believes some concerns can be overcome. He is producing a sponsorship policy which will establish clear guidelines.

"The quality of police service to the public is the number one priority, and sponsorship will only be used to enhance that service," he said. "The integrity of the force is paramount and will not be compromised."

Mr Philpott's initial target is to attract sponsorship for 1 per cent of the force's £89.7m annual budget. North Yorkshire has located private sector partners to provide radio pagers, speed enforcement cameras and Stinger devices, which halt vehicles whose drivers ignore police instructions to stop. It also wants sponsors to help buy four-wheel-drive patrol vehicles for remote country areas. Supportive motor manufacturers could be able to display their sponsorship logos on the vehicles.

BESPOKE TAILORING

2pc Suits from £845
3pc Suits from £995
Sports Jackets from £575

Offer open until 30th March 1996

BLADES OF SAVILE ROW
8 Burlington Gardens London
W1X 1LG 0171 734 8911

Visiting tailor service available

مكتبة النور

Hewlett-Packard surprises with 31% rise

By Louise Kehoe in San Francisco

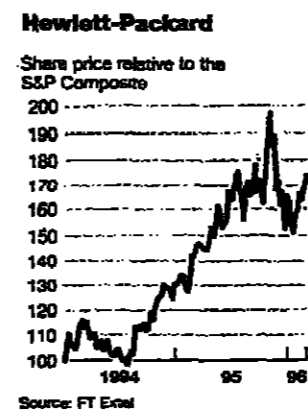
Hewlett-Packard surprised Wall Street with a 31 per cent increase in net earnings for its first fiscal quarter, as the computer and electronics equipment manufacturer continued to outpace competitors. The share price jumped more than 8 per cent to trade at \$33 1/2 in mid-session, up from Thursday's close of \$30 1/2. Net earnings for the quarter, which ended on January 31, were \$790m, or \$1.50 a share. Wall Street analysts had been projecting earnings of about

\$1.35 a share. Earnings in the same period a year ago were \$620m, or \$1.15. Revenues for the quarter climbed 27 per cent to \$9.3bn from \$7.3bn in the first quarter of fiscal 1995. Revenues from US sales were \$3.8bn, up 20 per cent from the year-ago period, while international sales increased by more than 33 per cent to \$5.5bn. Orders booked during the quarter were \$10.1bn, up 29 per cent - a strong indicator that HP's rapid growth will continue in the current quarter. In contrast to several of its largest competitors such as Inter-

national Business Machines and Digital Equipment, which are still recovering from periods of heavy losses followed by broad restructuring activities, HP is "firing on all cylinders", said industry analysts. The company is the leading supplier of large-scale computers that run the Unix operating system, and has recently made a successful entry into the US home computer market. Sales of HP's flagship DeskJet printers are also growing strongly, while the company's electronic instruments division achieved more than 20

per cent growth in the first quarter. Even Mr Lew Platt, HP chairman and chief executive, who is generally conservative in his comments on earnings, could find little wrong with the first-quarter results. The results were "a terrific start to the year", he said. "Our businesses executed very well, and we strengthened our competitive position in key markets." Growth in HP's personal computer business was "outstanding" in the first quarter, Mr Platt said, while orders for the company's DeskJet

printers were "excellent". Operating expenses rose 15 per cent in the first period, but declined as a percentage of revenues, to 22.6, compared with 24.9 per cent a year ago. The only blemish on HP's quarterly report was a significant increase in inventories, which rose to 20.3 per cent of revenues from 16.5 per cent in the same quarter last year. "We didn't do as well at managing inventory as we need to," Mr Platt said. Slowing economic growth in US and Europe could have an impact on HP's business in the year ahead, Mr Platt cautioned.



However, he said: "There won't be any let-up in our efforts to build on what we accomplished this quarter."

Production cuts at Volvo could affect 1,000 jobs

By Hugh Carnegie in Stockholm

Volvo, the Swedish vehicle manufacturer, said yesterday it was cutting its truck production capacity in Europe by almost 20 per cent because of weakening demand. The move is likely to affect 1,000 jobs in Belgium, Scotland and Sweden. The decision came a day after the Wallenberg industrial empire announced the flotation of next month of 70 per cent of Scania, Volvo's big local rival. The Wallenbergs hope the issue will not be hit by a recent fall-off in demand in several key world truck markets. Scania is expected to be valued at about \$K30bn (\$4.3bn), making the global issue one of the biggest ever of its kind. Volvo said it was lowering its European truck production ceiling from 43,000 vehicles a year to 35,000 as a boom in demand in the past two years had tailed off. Last year, Volvo's truck sales totalled 35,200 vehicles. Like Scania, Volvo said it did not anticipate a dramatic lapse in truck sales in Europe this year, stressing that demand continued at a high level com-

pared with the depressed years of the early 1990s. But Volvo said it expected total European sales of heavy trucks to be below 1995 sales of 172,000. Scania, which has production facilities in France, the Netherlands, Poland and Sweden, said it had no plans to reduce output levels, adding that its order intake was stable as it introduced its new 4 Series range of trucks. Volvo said the capacity cut to be implemented by mid-year would mean a surplus of about 1,000 workers in the present European truck division workforce of 15,000. It said it would seek to absorb this surplus through temporary layoffs, training schemes and other measures, but some redundancies were possible. Volvo has truck component and assembly operations at sites in Sweden, at Ghent in Belgium and Irvine in Scotland. The reductions are expected to hit hardest the plants in Sweden and Belgium. In December, Volvo announced cuts in production and jobs in the US and Brazil, both big markets for the producer. Scania has also experienced a fall in demand in Brazil, where it leads the market.

S American growth lifts Telefonica

By Tom Burns in Madrid

Expansion in Latin America helped to hoist net attributable income at Telefonica, Spain's government-controlled telecoms group, to Pta133bn (\$1.7bn) last year. The figure, which was 18.2 per cent up on the Pta112.6bn posted in 1994, was ahead of market expectations. The sharp improvement was chiefly attributed to the consolidation of CTC-Chile and Telefonica de Peru, the main subsidiaries owned by Telefonica Internacional (Tisa). Revenues earned by the Tisa unit, the biggest foreign operator in Latin America, advanced 27 per cent to Pta275.6bn, and represented 15.9 per cent of Telefonica's total revenues. At the end of last year, Tisa unveiled ambitious investment programmes in

Latin America, including the creation of a significant presence in Mexico and the acquisition of cable companies in Argentina and Chile. Earnings details from Telefonica's mobile telephone business were not released, but the group is understood to be seeing a strong increase in its income from this sector. Subscribers of cellular phones stood at just over 600,000 at the midway stage last year, and the mobile unit had generated income of Pta33bn, 55 per cent up on the previous 12 months. Telefonica had 828,855 cellular subscribers at the end of last year, and this total is expected to increase by 50 per cent in 1996. The group's cash flow was up 11.5 per cent to Pta593.1bn, allowing a high proportion of self-financing for investments. The group's consolidated investment totalled Pta655.6bn last year, 19.1 per cent down on

1994. Earnings per share were up 18.2 per cent to Pta141. The group's operating profit rose by 18 per cent, from Pta366.9bn in 1994 to Pta510.1 last year. Telefonica said its workforce had been reduced by 3.3 per cent last year, to 69,543. The ratio of installed telephone lines per employee stood at 226 at the end of 1995, against 212 a year earlier. The group is due to shed some 7,000 jobs, just over 10 per cent of its current workforce, over the next five years. A sale of Telefonica shares in October, which lowered the government's equity in the company from 32 per cent to 20 per cent, raised a total of Pta165bn. Further disposals will bring the government's equity down to a token presence by 1998 when the domestic telecoms sector will be wholly deregulated.

MGM sale details likely next month

By Alice Rawsthorn

The French government is expected by early next month to announce the timetable for the sale of MGM/UA, the Hollywood film studio. Mr Frank Mancuso, president of MGM/UA, held meetings in Paris this week with government representatives and Mr Michel Rouger, chairman of Consortium des Réalisations (CDR), the public sector body to which the studio was transferred from Crédit Lyonnais, the state-controlled French bank. They are understood to have discussed the recommendations made to CDR by Lazard Frères, the investment bank which is advising it on the sale. However, CDR and the government are still considering those recommendations and are thought unlikely to take a final decision on the timing or structure of the sale for another few weeks. Lazard Frères has already received informal approaches from a number of prospective bidders for MGM/UA, which is estimated to be worth between \$2bn and \$3bn. Several European entertain-

ment groups are seen as potential purchasers, including PolyGram of the Netherlands, Germany's Bertelsmann and France's Chateaux. There is also a possibility of US bids from Mr John Kluge, billionaire owner of MetroMedia, and Mr Arnon Milchan of the New Regency film company. Mr Mancuso has previously expressed interest in staging a management buy-out. One of the main issues under consideration is the timing of the sale. Crédit Lyonnais, which reluctantly acquired MGM/UA in a 1992 bankruptcy case, was originally given until May 1997 to reduce its holding to 25 per cent under US law. The French are now considering starting the sale process this spring to avoid running up against the deadline and to capitalise on MGM/UA's recent run of box office hits including GoldenEye, Leaving Las Vegas and Get Shorty. Another issue is deciding what to include in the sale. Among MGM/UA's assets are films rights for productions including When Harry Met Sally and The Fabulous Baker Boys, that Crédit Lyonnais acquired from production companies defaulting on loans.

'Outsider' joins GrandMet board

By David Blackwell

Grand Metropolitan, the food and drinks group, has appointed an American with expertise in international brands and marketing to head its drinks division. Mr John Keenan, known as Jack, retires at the end of March from Philip Morris, the US tobacco and food group, aged 59. He is the first outsider to be brought into GrandMet at board level since Mr Maxwell Joseph, founder of the group, hired Lord Sheppard to run the breweries division in 1975. Lord Sheppard, aged 63, will on Monday chair his last annual meeting and will retire at the end of the month. Mr John McGrath, who has headed IDV since 1992, will then become chief executive, while Mr George Bull moves from chief executive to chairman.



The appointment of Mr Keenan marks the end of the changes at top level. Mr Bull said yesterday that his background in consumer businesses in international markets "will make him a powerful leader for IDV and an excellent fit with the GrandMet board". Mr Keenan is retiring as chairman of the Kraft Foods International subsidiary of Philip Morris, where he increased revenues by \$80n to \$11bn over eight years. Kraft is

the world's biggest coffee group, whose brands include Kenco and Maxwell House. It also owns Jacobs Suchard, and the international cheese brands Danbrey and Philadelphia. Some City analysts suggested yesterday that Mr Keenan would be a caretaker head of IDV while younger managers worked through the company organisation. However, he vehemently rejected this label, stressing that he will be working until a second retirement at 65. GrandMet confirmed that this was the plan, pointing out that only employees on the group pension plan had to retire at 62. Mr Keenan said the drinks industry was better attuned to global branding than food, where global thinking often had to be adapted to local conditions. "Smirnoff is Smirnoff in Smirnoff," he said, referring to IDV's leading vodka brand.

Mr Keenan dismissed any suggestion that drink prices should be cut to increase sales volumes. "You first need to understand the earnings capacity of the company, and then work out how to enhance it," he said. He would be concentrating on clear market segmentation, the development of new brands in the wake of successes like the Malibu coconut drink, and the development of sales to new markets.

Burmah sales in Turkey and Chile

By Simon Kuper

Burmah Castrol, the lubricants, chemicals and fuels group, is to sell its filling station networks in Turkey and Chile for \$44.5m and \$20m respectively. It intends to buy the lubricants side of the business in Turkey for \$35m. Burmah also expects to complete the sale of Uno-X, its Swedish fuels network, within the next two or three months. Last July Burmah sold its UK fuels business to Frost Group for \$25m. Fuel retailing now accounts for less than 7 per cent of group's sales, which are expected to total \$3.25bn in 1995.

"Today confirmed our exit from the fuels retailing business as a major part of the group," said Mr James Alexander, corporate affairs director. "The fuels businesses have always been outside our core strategy," he said, adding that Burmah had retained them for their cash flow. The group is to sell its petrol retailing stake in the Turkish joint venture to its partner Turkpetrol Group. It will then spend \$35m of the proceeds on the joint venture's lubricants business. The joint venture reported pre-tax profits of TL665.2bn for the six months to June 1995, with net assets of TL2.94bn,

of which about a third is related to lubricants. Burmah is selling its 50 per cent interest in the Comar joint venture in Chile, together with Cosmar's holding company, to Cosnera, its Chilean partner. COMMENT Burmah is right to move out of fuels, a competitive market in which it has lacked critical mass since selling its UK fuels business last summer. Analysts believe the group achieved good prices for yesterday's sales, but the disposals and the purchase should have a broadly neutral impact on underlying earnings.

Thorn EMI chooses its year-end to announce demerger

By Alice Rawsthorn

Thorn EMI, one of the UK's largest leisure groups, is expected on Tuesday to confirm that it is proceeding with proposals to demerge its music and rental businesses by the end of this year. The demerger, which has been under consideration since the summer, could pave the way for an eventual bid for EMI Music, one of the world's biggest record companies which includes the Beatles, Radiohead, Blur, Supergrass, the Rolling Stones and Smashing Pumpkins among its artists. Thorn EMI declined to comment yesterday on whether the board had taken a final decision over the demerger. However, Sir Colin Southgate, chairman, is expected to use the publication of the group's third-quarter results on Tuesday to announce that it has

decided to go ahead. It should take roughly six months for the board and its advisors to prepare formal proposals for shareholders, who will then vote on the issue, and, assuming they approve, the process should be completed in late autumn. After the demerger the Thorn rental businesses, which include the Radio Rentals chain in the UK and Rent-A-Center network in North America, will be quoted separately from EMI Music. Goldman Sachs estimates the value of the Thorn businesses at \$1.78bn and EMI Music at \$5.81bn. Analysts expect Thorn EMI to announce strong results on Tuesday. Mr Greg Feehely, leisure analyst at Kleinwort Benson, anticipates a 29 per cent increase in profits before tax and exceptional items to \$430m for the nine months to December 31.

Birse back in profit

By Patrick Harverson

Birse Group, the contracting and plant hire company which is gradually withdrawing from the troubled housebuilding and commercial property sectors, has returned to profit for the first time in five years thanks to a big increase in its construction workload. Birse made pre-tax profits of \$385,000 in the six months to October 31, against losses of

\$878,000 a year earlier. Turnover jumped 31 per cent to \$202m and operating profits rose to \$1.33m (\$270,000). The company's shares rose 5p to 17 1/2p on news of the recovery. They were also helped by a surprisingly upbeat statement from the company about its trading prospects in construction. Birse predicted turnover in the business would rise 25 per cent this year.

Excalibur £9m disposal

Shares in Excalibur rose 2 1/2p to 20p yesterday when the precision engineering and consumer products group announced it was selling its Lifetime Entertainment subsidiary to Broomeco, a management buyout company, for \$9.2m. The board has decided its inconsistent earnings record gave it no place within the group's ongoing activities. The sale is made up of \$7.7m

cash and a further \$1.5m loan notes redeemable over the next three years. In the event that the notes are not redeemed, Excalibur has the option to convert them into Broomeco equity to a maximum of 16.3 per cent of Broomeco's enlarged share capital. The disposal will result in goodwill of \$4.5m written off to reserves on acquisition, being recredited and then charged to the profit and loss account.

Sharp rise for Trade Indemnity

By Patrick Harverson

Trade Indemnity, the credit insurer which earlier this month agreed to a £177.3m takeover by Compagnie Financière SFAC of France, yesterday reported a sharp improvement in annual profits following a big recovery in its underwriting performance. Pre-tax profits rose from £5m to £23.5m as the group's underwriting result swung from a loss of £510,000 to a profit of almost £17m. The turnaround lifted earnings per share to 9.6p (2.2p) and allowed the company to pay a second interim of 1.4p. Although Trade Indemnity has traditionally been strongest in its domestic market,

the bulk of the company's recent growth has come from expansion into the export business, offering credit insurance to UK companies selling their products overseas and to foreign companies. Trade Indemnity said its growing ability to underwrite and service multinational business, often in collaboration with other European credit insurers, was a key factor in last year's improvement in its underwriting result. The improvement in profits was also put down to the more favourable conditions in world equity and bond markets, which contributed to a rise in investment income to £5.5m (£5.9m). Strong stock and bond markets also helped boost the value of

shareholders' funds by 10.1 per cent to £61.7m, which means almost all of the ground lost to volatile financial markets in 1994 was regained. Yesterday's results will be the last reported by Trade Indemnity before its acquisition by SFAC is completed. The company accepted the 97p per share offer because its business was becoming more global and because on its own it would have lacked the capital needed to invest in the information technology required to service an increasingly international client base. The union between Trade Indemnity and SFAC will create the world's largest credit insurance group.

EFM seeks to keep Dunedin's US clients

By James Buxton, Scottish Correspondent

Edinburgh Fund Managers, the Scottish investment group, will launch an attempt next week to keep the remaining North American clients of Dunedin Fund Managers, its troubled Edinburgh rival with which it is merging in a deal worth \$28.25m. The merger will more than double the size of EFM, creating a group with funds under management of \$3.2bn. EFM is paying for Dunedin with a placing and open offer, which has been fully subscribed by institutions and will raise about \$75m. Bank of Scotland and the four investment trusts which own Dunedin - of which the biggest is Edinburgh Investment Trust - decided to sell after a crisis last year in the running of Dunedin, in which key fund managers as well as the executive chairman and his deputy resigned. Dunedin currently has \$4.8bn of assets under management, of which just over £1bn consists of North American pension funds. The management contracts automatically lapse with the change of ownership and EFM must pitch for them.

will move its own back office processing there from WM Company, to whom it has outsourced this work. The placing and open offer is on a 3-for-5 basis at 675p per share, compared with last night's close of 715p. British Investment Trust and American Trust, which between them own 60.6 per cent of EFM, are voting for the offer but not taking up their rights. This means that BIT will reduce its holding from 52.5 per cent to 32.8 per cent. In the year to January 31, EFM's pre-tax profits fell from \$13.7m to \$12.8m and earnings per share from 49.7p to 45.4p. Turnover of \$23.9m (£16.6m) reflected the sale of EFM's private client business and lower share prices in the Far East. The final dividend of 17p (16p) makes a total for the year of 25p (24p).

COMMENT This is a highly satisfactory outcome of the disastrous Dunedin affair. EFM gets a wider spread of assets and BIT's reduced stake means it is no longer dominated as much by one of its clients. The price represents 1.75 per cent of Dunedin's funds under management, which would look cheap were it not for the question mark over the £1bn in North America. Analysts added \$9m to their 1996/97 forecast for EFM of \$13.5m, making \$22m. That would add 3p to earnings per share, making 49p, putting the shares on a prospective pie of 14.5, which looks a reasonable buy. It will retain Dunedin's back office in Dundee and next year

considering a flotation. Others, such as Scottish Amicable, are rumored to be considering similar moves. Mr Colin McLean, a director of Scottish Value Management, said LooT would invest in second-hand endowment policies. Endowments can be bought and sold through market makers which survive by paying a better price than the low surrender values offered by life assurance companies. Mr McLean said the trust would target those life companies most likely to restructure. "We will be putting more of our money into Norwich Union policies than into a company like Standard Life, which is less likely to change." He said that change in the life assurance industry would mean that life offices would come under pressure to cut costs and improve investment returns.

Trust launched to follow life assurers

By Roger Taylor

The expected wave of takeovers and flotations among UK mutual life assurance companies has prompted the launch of an investment fund. The Life Offices Opportunities Trust (Loot), a new trust from Edinburgh-based Scottish Value Management, plans to take advantage of special bonus payments and share distributions resulting from restructuring of life offices. Last year a number of mutually-owned building societies announced takeovers and flotations resulting in large bonuses for savers and borrowers. Similar changes among mutual life offices would mean bonuses for holders of with-profit policies. Norwich Union, the mutual insurance company, has already announced that it is

considering a flotation. Others, such as Scottish Amicable, are rumored to be considering similar moves. Mr Colin McLean, a director of Scottish Value Management, said LooT would invest in second-hand endowment policies. Endowments can be bought and sold through market makers which survive by paying a better price than the low surrender values offered by life assurance companies. Mr McLean said the trust would target those life companies most likely to restructure. "We will be putting more of our money into Norwich Union policies than into a company like Standard Life, which is less likely to change." He said that change in the life assurance industry would mean that life offices would come under pressure to cut costs and improve investment returns.

This advertisement is issued in compliance with the requirements of, and its contents have been approved by, London Stock Exchange Limited (the "London Stock Exchange") pursuant to section 154 of the Financial Services Act 1986 (as amended by the Public Offers of Securities Regulations 1995). It does not constitute an offer or invitation to the public to subscribe for or purchase any securities of Life Offices Opportunities Trust plc. This advertisement should be read in conjunction with the prospectus relating to the securities mentioned below dated 16th February 1996 (the "Prospectus"). Application has been made to the London Stock Exchange for the securities mentioned below to be admitted to the Official List. It is expected that such admission will become effective and that dealings will commence on 12th March 1996.

Life Offices Opportunities Trust plc
(Incorporated in Scotland under the Companies Act 1985 with registered number 162841)
Placing and Intermediaries Offer
of up to
25,000,000 ordinary shares of 75p each
at 100p per share,
payable in two instalments of 50p each,
sponsored by
James Capel & Co., Limited
Of the above 25 million ordinary shares, up to 5 million ordinary shares are being offered to intermediaries. Members of the public or institutions wishing to apply for ordinary shares in the intermediaries offer must do so through intermediaries which are regulated by the Securities and Investments Board Limited. An application under the intermediaries offer must be made on an application form available from James Capel & Co. Limited so as to be received with funds for the amount payable not later than 12 noon on 1st March 1996.
Copies of the Prospectus are available for collection during normal business hours from the Company Announcements Office, the London Stock Exchange, Stock Exchange Tower, Capel Court Entrance, off Bartholomew Lane, London EC2 up to and including 19th February 1996.
Copies of the prospectus are also available from:
James Capel & Co. Limited
Thames Exchange
10 Queen Street Place
London EC4R 1BL
Scottish Value Management Limited
2 Canning Street Lane
Edinburgh EH3 8ER
Life Offices Opportunities Trust plc
2 Canning Street Lane
Edinburgh EC3 8ER

COMPANY NEWS: UK

Restructuring provision hits Lloyds TSB

By Alison Smith, Investment Correspondent

A one-off provision of £426m for restructuring left Lloyds TSB Group's 1996 pre-tax profits down from £1.79bn to £1.65bn. Excluding the sum, which will be spent over the next few years, underlying profits were 16 per cent ahead at £2.06bn.

Sir Brian Pittman, group chief executive, said "there will be quite a lot of scrapping" as the merged group, which was formed only in late December, decided which of the two available options in computer systems and specialised premises the combined

operation would retain. He said that some of the costs would arise from cutting staff numbers, adding that "I still believe the bulk of reductions in numbers will come from ordinary turnover".

Although the bank said the restructuring costs were in line with some analysts' forecasts, the market appeared disappointed, and Lloyds TSB shares closed down 6p at 341½p.

The bank expects to make annual cost savings of £350m by 1999, but Sir Brian emphasised that he expected some cost savings to come through from the current year onwards.

Mr Peter Ellwood, deputy chief executive, said that the combining of operations in the retail financial services division would be carried out by several task forces which would begin work in March. The new division starts formally in April.

Pre-tax profits in the retail financial services business rose 46 per cent to £1.38bn, including a 59 per cent rise from banking activities, and a 30 per cent rise from the life assurance businesses. But there was a £49m provision for possible compensation payments to victims of poor personal pensions advice from TSB.

Among the other businesses, pre-

tax profits from wholesale banking rose to £482m (£428m), but profits from private banking slipped by 15 per cent to £22m. Sir Brian attributed this to reduced customer trading activity.

The domestic net interest margin fell from 4.1 per cent in 1994 to 3.86 per cent last year, largely from the acquisition of Cheltenham & Gloucester as the group's mortgage lending arm.

Sir Robin Ibbes, chairman, refused to be drawn on the two questions that have dogged the bank - who will be chief executive after Sir Brian, who is due to stand down at the end of this

year; and what will happen to Lloyds Abbey Life, the life assurance group mainly owned by Lloyds TSB.

Rejecting a suggestion that the group had too many insurance operations - apart from the insurance business of TSB, LAL, contains both Abbey Life and Black Horse Financial Services - Sir Robin said: "We have two main insurance arms, and that is the normal number of arms to have".

Excluding the provision, earnings per share rose 17 per cent to 25.8p (22p). Including the provision they fell to 19.2p. The recommended final dividend is 7.5p.

See Lex

Institutions threaten over standards

By William Lewis

Two institutional investors with a combined total of more than £100bn under management, have written to the UK's largest public companies setting out corporate governance policies to which they expect them to adhere.

Schroder Investment Management, which has £65bn under management, and PDM, which has about £45bn, have both told companies they will vote against them if they fail to meet their corporate governance standards.

Last month it emerged that Standard Life, a £42bn fund, had written to the chairmen of FT-SE 100 companies outlining the corporate governance issues it endorses.

Institutional investors - who invest money on behalf of pension funds and others - have in the past sought to resolve corporate governance issues in private. However, pension fund trustees are now asking investment managers to take a far stronger line on corporate governance.

For example, Railpen, one of the UK's largest pension funds with assets of about £10bn, recently announced that it would be instructing investment institutions to implement a code by voting at company meetings.

"After the Cadbury and Greenbury committees, corporate governance is now of increasing concern to trust-

ees," Schroders said yesterday. Schroders has written to all FT-SE 100 companies giving them details of the corporate governance policies. Resolutions it is likely to vote against at company meetings include:

- The appointment or re-appointment of directors that are not subject to regular review by shareholders - so-called "insulated posts" - and directors on three-year rolling contracts.
- Directors who are members of remuneration, and other, board committees "if they can be seen to have any inappropriate business or other interests which could jeopardise their independence".
- Schroders also details company resolutions which would give it "cause for concern", including:
 - The appointment and re-appointment of directors holding the post of chairman and chief executive.
 - Small firms of auditors working for large companies, or "any firm of auditors where the amount of non-audit work greatly exceeds the amount of audit work".
 - Schroders also states that "regular, systematic contact at senior level" remains an important part of shareholders' monitoring of companies' corporate governance standards.
 - A PDFM letter states that "direct dialogue with companies continues to be the most important element" in its corporate governance process.

UniChem raises bid for Lloyds

By Peggy Hollinger

UniChem yesterday increased its cash and share bid for Lloyds TSB to £690m, in a final attempt to win the pharmacy group away from a rival £584.5m cash offer by Gehe of Germany.

Gehe may now retaliate with a higher bid for Lloyds, which was yesterday expected to advise investors to do nothing until the German drugs wholesaler clarified its intentions. Gehe said yesterday it was considering the merits of raising its 450p per share cash offer.

However, any decision on whether to increase the bid is not likely immediately. Gehe is expected to watch UniChem's

share price closely over the next few days, as this will affect the level at which it would have to bid.

The market seemed to take the view that the outcome was in the balance, with Lloyds shares hovering close to UniChem's offer price.

UniChem is offering 926p in cash and 16 new shares for every 10 Lloyds shares, which values the retail group's shares at 495p. Lloyds shares closed 23p higher at 493p.

The cash element includes the option of a special dividend payable out of Lloyds, which could make the bid worth an extra 10p per share for tax-exempt investors. The company is also offering 59.7p cash and

1,0323 new UniChem shares per Lloyds preference share, valuing the stock at 315p against a close of 315p, up 13p.

The market welcomed UniChem's decision to revise the bid and to declare it final. UniChem's offer valued Lloyds at about 15 times prospective earnings, which was a full and fair price, said Mr John Aldersley of Merrill Lynch.

However, he said it was also clear that UniChem's finances would not have allowed it to bid any higher. "From the perspective of UniChem's balance sheet it is as far as they could go," said Mr Aldersley. "They are not overpaying but it is sensible for them to say it is the final offer."

UniChem said that if its bid was successful, gearing would rise to 135 per cent, falling to less than 100 per cent by the end of 1997, with interest cover of just under eight times.

Mr Jeff Harris, UniChem's chief executive, said the acquisition of Lloyds at this level would still enhance earnings significantly. The market is estimating an enhancement of between 5 and 10 per cent in 1997.

He denied that without Lloyds, UniChem would founder. "This is not a deal we have to do," he said. "It is a hell of an opportunity, but if we do not get it, we will not implore."

See Lex

Royal Bank to get control of Church

By George Graham and Andrew Taylor

Royal Bank of Scotland is to take control of Charles Church in a deal valuing the debt-laden housebuilder at £22.6m.

The deal is an unusual attempt by a bank to manage its way out of problem debts, rather than calling in the receivers.

"We know the business very well and we believe it can prosper in this format. The intention is to develop the business and at some stage to float it or sell it," said Mr Derek Sach, director of group risk at RBS.

Church operates at the top end of the housebuilding market, which has suffered less than some other segments. It has remained profitable at the operating level, with profits rising from £2.3m to £4.1m in the year ended August 31.

led by RBS swapped more than £80m of debt for ordinary and preference shares.

In 1994 the bank ended up with 80 per cent of the capital after agreeing to write off a further £50.7m of debt.

Dealing with the 10-bank syndicate has drained Church's management energies. "Every time they want to buy a JCB they have to get agreement from all 10 banks," an RBS executive said.

RBS will pay £230,000 for Church's ordinary and preference shares, and will buy out £26m of debt owed to nine other banks for £12.8m. RBS itself is owed £14.5m.

Redland sells Belgian brick stake and makes quarry bid

By Andrew Taylor, Construction Correspondent

The £71m cash sale of its Belgian-based brick interests and a hostile bid for a small UK quarry operator were announced yesterday by Redland, which is reorganising its building materials business.

Redland is also seeking a buyer for its UK brick subsidiary, Wienerberger, the large Austrian brick manufacturer, is seen as the most likely purchaser. The other interested companies are CRH, the Irish building materials group, and Boral and Pioneer, two large Australian groups.

Redland said yesterday it had sold its 35 per cent stake in Terca Brick Industries to its Belgian partner, Koramic Ceramic Holding - doubling its stake to 70 per cent.

Terca, which is quoted, produces about 1bn bricks a year from plants in Belgium, Holland, France and Germany. About 20 per cent of sales have been in Germany, where demand for housing is starting to fall. Net profits were £F663m (£14.2m) in 1994.

Redland also yesterday launched a 32p a share bid for Ennemix. However, the east Midlands and East Anglian aggregates company rejected

the £5.5m offer as too low. Ennemix shares closed 1p up at 35p. The company, which floated in 1994 at 65p, said it had a net asset value of 48.4p at the end of last year. A pre-tax loss of about £600,000 is forecast.

A bid had been expected since December, when Redland bought a 29.9 per cent stake from Nash, Sells.

Under its reorganisation, Redland is considering transferring its UK roof tile operations to Braas, its 60.8 per cent owned Germany subsidiary, in return for cash and, or, an increased stake in the enlarged German company.

Mark One goes into administration

Administrators were appointed yesterday to Mark One, the 95-store discount clothing chain.

The move came in the week that Mr Philip Green, chairman of discount chain Next, became Mark One's secured creditor.

Directors put Mark One, which has £95m turnover but £17m debts, into administration after a winding-up petition was presented by an unsecured creditor, thought to be clothing company Joe Blugs.

Coopers & Lybrand and Leonard Curtis said Mark One would continue trading while a financial and management review was completed.

Determined to catch its prey

Rentokil, the company which has made a killing out of pest control, yesterday turned its fire power on BET - its main UK rival.

In a damning indictment of BET's management record, Rentokil claimed the company had let shareholders down by cutting dividends, producing "disappointing" profits, missing overseas growth opportunities, and failing to develop quality brands.

Mr Clive Thompson, Rentokil's normally urbane chief executive, was scathing in his criticism of his BET counterpart Mr John Clark. "This is a company that was on the floor when Mr Clark took over and its now below the floorboards," he said.

Rentokil yesterday pledged to revive BET by applying management techniques which have transformed the group, under Mr Thompson's stewardship, into "Britain's most successful large company".

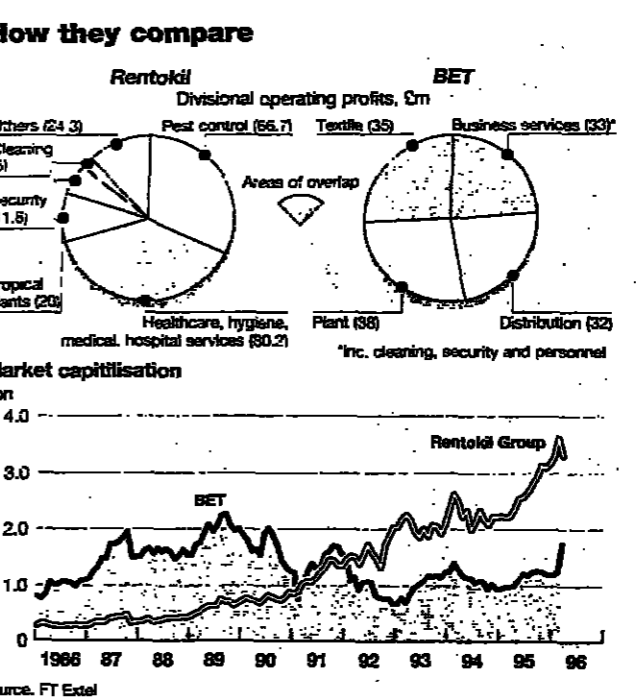
The unwelcome approach prompted a fiery response from BET, which described the £1.77bn bid as a hurried and inadequate offer for "a strong, well-financed" group.

It accused Rentokil of trying to build a conglomerate and questioned the logic of merging the companies.

Despite BET's understandable hostility, there is clearly some industrial sense behind the two coming together. If its bid succeeds, Rentokil should be able to derive sizeable cost-savings from combining BET's cleaning, distribution, security and textile services with its existing activities in those areas.

It should be able to trim further fat from BET by stripping out layers of management, closing its Pledcilly headquarters and selling non-core businesses such as conferences and resort management.

Rentokil cites industrial logic and BET's poor record as reasons for its bid, writes Tim Burt



would think it was a good idea," said Mr Hans Werdelin, Sophus chief executive. "But their reaction will have no effect on the bid, the company's management cannot block it."

Rentokil has also lined up a formidable team of financial advisers headed by Lazard Brothers, which recently led Granada's successful bid for Forte.

Some analysts suggested its decision to appoint Lazard just before Christmas was a slap in the face for NatWest, its long-standing financial adviser. But the bank has retained a role along with Warburg in underwriting much of the cash alternative and Rentokil's new banking facilities. Full acceptance of the offer would result in Rentokil increasing its number of shares in issue by 30 per cent and paying out £30m in cash. SBC Warburg and ABN Amro Hoare Govett are acting as brokers.

Opposing the Lazard team under Mr Nigel Turner will be BET's team at Baring Brothers, headed by Mr James Lupton, with support from Merrill Lynch.

Most industry analysts predicted a fierce fight, although few were prepared to say whether Rentokil had offered enough to make it one of Europe's largest business and industrial services groups.

Mr Thompson was certain that it was the right deal at the right time. "BET has demonstrated a failure to enhance shareholder value... we are offering shareholders the opportunity to share in the future success that our proven management skills will bring."

THE FT GUIDE TO WORLD CURRENCIES, published in Monday's newspaper and covering over 200 currencies, is now available by dialling the following number from the keypad or handset of your fax machine. 0891 437 001. Calls are charged at 39p/min plus 10p/min at all other times. For service outside the UK please telephone +44 171 873 4378 for details on Cityline International.

FAST 64 KBIT SATELLITE TECHNOLOGY
FOR COMPLETE REAL-TIME DATA OF THE US AND EUROPEAN EXCHANGES
FOREX, FUTURES, OPTIONS, EQUITIES, NEWS
44 171 324 3077 49 001 4201 1 172 259 6240 3 01 302250 NEW SetQuote

FUTURES & OPTIONS TRADERS FOR AN EFFICIENT & COMPETITIVE SERVICE
BERKELEY FUTURES LIMITED
38 DOVER STREET, LONDON W1X 3EB
TEL: 0171 829 1139 FAX: 0171 495 0022

Union Futures and Options Trading
Clearing and Execution Service 24 hrs
Tel: +44 171 329 3030
Fax: +44 171 329 3919

IG NEW 24 HOUR FOREX DESK
Competitive Spreads, Minimum Transaction Size \$100,000
To find out more about our friendly, professional service, call Dennis Barrow on 0171 896 0011 or write to us: IG Index plc, 1 Warwick Row, London SW1E 5ER

MURPACE Futures, Options & Currencies with direct access to exchange floors
James Maxwell
Tel: 0171 201 1991
Fax: 0171 480 6115

Market-Eye Affordable real-time equities, futures, options and news
FREEPHONE 0800 321 321 FAX 0171 398 1001
In association with the London Stock Exchange

WANT TO KNOW A SECRET?
The I.D.S. Gann Seminar will show you how the markets REALLY work. The amazing trading techniques of the legendary W.D. Gann can increase your profits and contain your losses. How? That's the secret. Book your FREE place. Phone 0171 588 5858

24HR FOREX 44 171 865 0800 Daily Fax Service
Internet: www.24hrforex.com
E-mail: info@24hrforex.com
LONDON: 15 Abchurch Lane, London EC4N 3DF
CELEBRATING 10 YEARS OF OPERATION

TREND ANALYSIS LTD Daily Analysis & Trading Recommendations by Fax
FOREX • METALS • FINANCIAL FUTURES • ENERGY
For FREE TRIAL Phone 01424 778145
Fax 01424 778067

PHILIP ALEXANDER FUTURES & OPTIONS EXECUTION ONLY
SECURITIES AND FUTURES LIMITED
Veritas House, 125 Finsbury Pavement, London EC2A 1PA
Tel: (44) 171 417 9720 Fax: (44) 171 417 9719

SOVEREIGN (FOREX) LIMITED 24 HOUR MARGIN TRADING FACILITY
COMPETITIVE PRICES DAILY FAX SERVICE
Tel: 0171 - 831 9188 Fax: 0171 - 831 7114
42a Buckingham Palace Rd, London SW1W 0EX

NEWS DIGEST

Ex-Wainhomes director to sue

Mr Ron Smith, dismissed last month as chief executive of Wainhomes after the company claimed he had lost the board's confidence, has issued a writ claiming £450,000 for wrongful dismissal.

The company stressed in a press release at the time that Mr Smith was not involved in police investigations into allegations of financial irregularities.

The irregularities, uncovered at the end of last year, are thought to involve falsifying invoices and understating costs of sub-contracted work.

Mr Smith had not originally intended to take legal action but changed his mind when he saw the press release which mentioned the fraud allegations alongside his dismissal: "thus doing much to impugn my personal integrity and personal reputation within the business community."

Andrew Taylor

New role for QSP chairman

Quality Software Products yesterday announced that Mr Alan Mordain, chairman and co-founder of the accountancy software group, was to become chief executive.

Mr Alan Benjamin, a non-executive director, will take over Mr Mordain's position as chairman in a non-executive role. Mr Benjamin said yesterday that his first priority "will be to review QSP's senior management structure".

Last month, angry institutional holders said they would press for the resignation of Mr Mordain and other senior management changes after QSP issued a profits warning.

Shareholders were particularly upset at the timing of the warning, coming only 10 weeks after the company launched a £15m rights issue at 535p per share. The shares fell by 50 per cent in the two days after the warning and yesterday slipped a further 1p to 32p.

Gary Evans

Creighton's loses large contract

Shares in Creighton's Naturally, the toiletries manufacturer, yesterday fell 30p to 90p, after it announced second half and full year profits would be hit by the loss of a contract from one of its largest customers.

The company said it still intended to pay a final dividend of 1p, making a total for the year of 3.2p.

Ind Insurance in French deal

Independent Insurance Group yesterday announced further French expansion with an agreement to acquire Safom, a Paris-based insurance underwriting agency.

Independent is to buy all of Safom's shares on a phased basis over the next three years. Safom has been Independent's French agent since 1988. Last year it achieved underwriting gross premium of FF770m (£9.9m), of which 25 per cent was on behalf of Independent. Consideration will be in cash, based on a value of FF12m, subject to adjustment.

Barclays sells Cypriot banks

Barclays is to sell its 40 branches in Cyprus to the Hellenic Bank for \$18m (£11.6m).

Under the agreement, Hellenic will keep the branches open and retain the 560 employees. The deal does not include Barclays' offshore operations on Cyprus.

Kingspan's £8.6m purchase

Kingspan Group is paying £8.6m to acquire interests in the manufacture and distribution of a range of rotationally moulded polyethylene intermediate bulk containers.

The containers are used in the transportation and storage of liquids and solids in the chemical, brewery, fuel and other industries. The deal is made up of S&D Management, part of the business of Ar-met Plastics, and two properties.

Rentokil advances 21% to £215m

By Tim Burt

Rentokil, the environmental and business services group, yesterday capped its £1.77bn hostile takeover bid for BET by announcing a 21 per cent rise in pre-tax profits from £177m to £214.5m in 1995.

The group said its growth record proved that it was a better managed company than BET. Rentokil's profits had more than doubled since 1991, while BET's had fallen by a third.

Further progress in continental Europe raised profits by 19 per cent to £24m, helped by favourable exchange rates. However, Rentokil admitted that in the

second-half growth had slowed in a number of countries.

North American profits increased 10 per cent to £18.7m (£17m), while the contribution from Asia and Africa rose to £44m (£35.5m).

Interest receivable of £6.5m (£2.3m) following improved cashflow, left the group with year-end net cash of £97m (£87m).

"We continued to generate significant cash despite spending on acquisitions," said Mr Thompson.

Earnings per share rose 21 per cent to 14.23p and the final dividend of 2.97p (2.44p) makes 4.2p (3.45p) for the year.

that they have set aside £600m for restructuring provisions.

Rentokil's operating profits grew from £174.7m to £208m on turnover of £860.1m (£734.6m), including £44.5m from new acquisitions.

Mr Thompson said the improvement had been fuelled by strong growth in its security, hygiene, tropical plants and distribution businesses. In the UK, that helped profits rise 19 per cent to £91.3m.

Further progress in continental Europe raised profits by 19 per cent to £24m, helped by favourable exchange rates. However, Rentokil admitted that in the

Company	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current payment (p)	Date of payment	Dividends	
						Corresponding dividend	Total for year
Wren	6 mths to Oct 31	202.3 (153.8)	0.325 (0.676)	0.1	(0.3)	17	16
Edinburgh Fund	Yr to Jun 31	19.8 (23.9)	12.89 (13.7)	45.4	(42.7)	7.8	25
Lloyds TSB	Yr to Dec 31	6,290M (5,770)	1,650M (1,792)	19.2	(22)	14	24
Standard	Yr to Dec 31	860.1 (734.6)	214.5 (177)	14.22	(17.4)	2.67	4.2
Trade Indemnity	Yr to Dec 31	72.3+ (59.4+)	22.5 (6)	9.8	(2.2)	1.4	1.9

Investment Trusts	NAV (p)	Attributable Earnings (£m)	EPS (p)	Current payment (p)	Date of payment	Dividends	
						Corresponding dividend	Total for year
Baring Trustees	Yr to Dec 31	431.9 (371.7)	3.86 (2.97)	7.53	(6.79)	5.5	5.05
City Investments	Yr to Dec 31	148 (140.7)	2.77 (2.08)	11.05	(8.7)	2.76	9.2
Hong Kong	6 mths to Dec 31	53.56 (56.34)	0.101 (0.163)	0.49	(0.81)	0.76	3
Supper Hill Group	Yr to Dec 31	127.4+ (112.1)	0.996 (1.02)	3.95	(4.05)	2.05	0.75
Thameswater	Yr to Nov 30	83.9 (78.5)	6.18 (7.1)	2.01	(2.31)	1.4	1.9

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. *After exceptional charge. **After stock repurchase. †In total income. ‡Net written premiums. *Comparisons restated. +Nav per unit.

مكتبة

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Copper casts a shadow

Copper's bearish fundamental outlook cast a lengthening shadow over other base metals markets at the London Metal Exchange this week...

Table with 2 columns: Commodity, Price. Lists various metals and their prices.

There were signs of speculative buying interest at lower levels, but dealers said market sentiment remained decidedly bearish...

The lead market was clearly affected by the mood in the copper ring, although its own fundamentals and sentiment remained far more upbeat...

In a report published this week the Economist Intelligence Unit warned consumers of lead to expect high prices and increased price volatility...

The EIU, in its latest Industrial Raw Materials report, forecast that lead's supply-demand deficit - 70,000 tonnes last year - was likely to grow to 110,000 tonnes in 1996...

The other LME market to end the week with net gains was zinc. Here too, however, the impact of copper's weakness was apparent...

After a week of see-sawing movements the three months aluminium price finished back at square one - unchanged at \$1,615 a tonne...

The gold market also held relatively steady following last week's sharp sell off. At last night's close on the London Bullion Market the price stood at \$404.40 a troy ounce...

The London market had been rather hesitant in the morning as dealers debated the potential attitude of New York traders ahead of their long weekend (the Presidents' Day holiday is on Monday)...

BASE METALS

LONDON METAL EXCHANGE

Table with 4 columns: Commodity, Price, Change, High/Low. Lists various base metals.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists various base metals.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists various base metals.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists various base metals.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists various base metals.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists various base metals.

Precious Metals continued

IN GOLD COMEX (100 Troy oz. \$/troy oz.)

Table with 4 columns: Commodity, Price, Change, High/Low. Lists precious metals.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists precious metals.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists precious metals.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists precious metals.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists precious metals.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists precious metals.

GRAINS AND OIL SEEDS

IN WHEAT LCE (\$/tonne)

Table with 4 columns: Commodity, Price, Change, High/Low. Lists grains and oil seeds.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists grains and oil seeds.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists grains and oil seeds.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists grains and oil seeds.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists grains and oil seeds.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists grains and oil seeds.

SOFTS

IN COCOA LCE (\$/tonne)

Table with 4 columns: Commodity, Price, Change, High/Low. Lists softs.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists softs.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists softs.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists softs.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists softs.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists softs.

MEAT AND LIVESTOCK

IN LIVE CATTLE CME (\$/cwt)

Table with 4 columns: Commodity, Price, Change, High/Low. Lists meat and livestock.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists meat and livestock.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists meat and livestock.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists meat and livestock.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists meat and livestock.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists meat and livestock.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists various commodities.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists various commodities.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists various commodities.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists various commodities.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists various commodities.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists various commodities.

Table with 4 columns: Commodity, Price, Change, High/Low. Lists various commodities.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

Table with 4 columns: Country, Maturity, Price, Change. Lists world bond prices.

US INTEREST RATES

Table with 4 columns: Term, Rate, Change. Lists US interest rates.

BOND FUTURES AND OPTIONS

Table with 4 columns: Commodity, Price, Change, High/Low. Lists bond futures and options.

FT ACTUARIES FIXED INTEREST INDICES

Table with 4 columns: Index, Value, Change. Lists FT actuaries fixed interest indices.

FT FIXED INTEREST INDICES

Table with 4 columns: Index, Value, Change. Lists FT fixed interest indices.

GLT EDGED ACTIVITY INDICES

Table with 4 columns: Index, Value, Change. Lists GLT edged activity indices.

UK GILTS PRICES

Table with 4 columns: Maturity, Price, Change. Lists UK gilts prices.

ECONOMIC DIARY - FORWARD EVENTS

TODAY: Start of two-day Balkan summit meeting in Rome. TOMORROW: Polish referendum on the distribution of state assets.

US TREASURY BOND FUTURES (CBT) \$100,000 30yds of 100%

Table with 4 columns: Commodity, Price, Change, High/Low. Lists US treasury bond futures.

EURO BOND FUTURES (MATIF) EUR50,000

Table with 4 columns: Commodity, Price, Change, High/Low. Lists Euro bond futures.

NOTIONAL GERMAN BOND FUTURES (MATIF) EUR50,000

Table with 4 columns: Commodity, Price, Change, High/Low. Lists notional German bond futures.

NOTIONAL ITALIAN GOVT. BOND (BTF) FUTURES (LIFFE) Lit200m 100% of 100%

Table with 4 columns: Commodity, Price, Change, High/Low. Lists notional Italian govt. bond futures.

NOTIONAL SPANISH BOND FUTURES (MEFF)

Table with 4 columns: Commodity, Price, Change, High/Low. Lists notional Spanish bond futures.

NOTIONAL UK GILT FUTURES (LIFFE) £50,000 30yds of 100%

Table with 4 columns: Commodity, Price, Change, High/Low. Lists notional UK gilt futures.

CITY INDEX advertisement with logo and text.

Argus Fundamentals advertisement with logo and text.

Petroleum Argus advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

UK advertisement with logo and text.

COMMENT & ANALYSIS

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700

Saturday February 17 1996

Bank sends a Valentine

Mr Major's government has taken a heavy battering over the past eight days. First, there was the dreadful news that the IRA had returned to its murderous ways. Then, on Thursday, there landed the long-awaited and highly critical report of Lord Justice Scott on exports of arms to Iraq. Yet all was not gloom for Mr Major and friends.

The IRA may loathe his government. Lord Justice Scott may declare that its statements on defence exports "failed to discharge the obligations imposed by the constitutional principle of ministerial accountability"; but the Old Lady of Threadneedle Street chose St Valentine's day to send an amorous message. True, this did not look like a love letter.

It looked like the Inflation Report - 51 pages of sober text and complex charts. But inside was the Bank's apparent consent to the chancellor's widely expected request for lower interest rates.

"The Bank's central projection for inflation has fallen since the November Report," said the Old Lady to her suitor. More important, "the Bank's judgment is that it is a little more likely than not that inflation will be somewhat below 2½ per cent in two years' time".

Yet the Bank is coy. It may recognise the health of the economy and admit that recent growth in demand has been too weak, but it frets about excessive monetary expansion. The chances of hitting the target rate of inflation - below 2½ per cent in two years' time - are, it declares, only a little under 55 per cent. Furthermore, inflation is expected to be on a rising trend towards the end of the forecast period.

Its greatest worry is over the growth of broad money. In the three months to December, M4 grew at an annualised rate of 11.4 per cent, up from 9.9 per cent in September. The Bank's conclusion is that this acceleration "is signalling higher planned spending in the future, although it is too soon to tell whether recent growth rates of broad money will persist".

Behind the growth

What lies behind the monetary position is the improved capital position of the banks, as one of the chancellor's wise human beings, Professor Tim Congdon, points out in his latest bulletin. The banking system seems to suffer from a peculiar incontinence. Whenever it has excessive capital, it expands lending until the need to write off the resulting bad loans eliminates the excess capital. Maybe that will happen this time, but it is far too early to tell. In the

long run credit cannot safely expand at between 7 per cent and 8 per cent in real terms in an economy growing at only 2 per cent to 3 per cent. But right now the economy could do with a strong stimulus to demand.

For what emerges in this report is the strength of the UK's supply-side potential. The Bank notes that since the beginning of 1993, unemployment has fallen steadily, while real earnings have barely increased. "This might," concludes the report "reflect the gradual impact of changes to labour market institutions and to the composition of employment and unemployment, leading to a fall in the level of unemployment consistent with stable wage inflation, for a given monetary stance."

What does this verbiage mean? It means unemployment does not need to be this high to keep inflation below target.

The big question

The big question, however, is whether faster growth of demand over the next few years can be turned into faster underlying growth over the long term. The link between the two is investment. Feelgood factor or none, consumption has been expanding at its long-term trend rate since the beginning of 1994. But real spending on capital projects fell by 1.1 per cent in the third quarter of 1995 and was up only 1.6 per cent on the same quarter of 1994.

Higher investment is needed, both to expand demand in the short term and, more important, to strengthen supply capacity in the longer term. It is surprising, in fact, that investment has not been stronger, given excellent profitability, strong equity markets and a sustained recovery. Yet the ratio of investment to gross domestic product has fallen since the recovery began. This is so puzzling that some suspect investment has been underestimated.

Investment-led growth is what the economy needs most. There is also a good chance that it will happen, provided demand does expand more rapidly than potential supply for some time. But then another problem is likely to emerge. With consumption still at the historically high level of some 64 per cent of GDP, how would higher investment be financed?

If anything could bring to a halt what looks now to be the most promising British recovery for a generation, it would be the combination of an unsustainably rapid expansion in consumption, investment and exports. But that is not the chancellor's current worry. For the moment he should be able to enjoy his love letter.

Two little phrases in Sir Richard Scott's report into the sale of military equipment to Iraq in the late 1980s have probably let the UK government and two senior ministers off the hook.

Its 1,806 pages, produced after three years of exhaustive investigations, present a catalogue of ministerial incompetence, the misleading of parliament and a culture of obsessive and excessive government secrecy. Yet the heads of ministers will almost certainly not roll, for all the pressure that the opposition parties will exert in the next few days.

Sir Richard, a senior high court judge, gives damning indictments of two serving ministers: the attorney general, Sir Nicholas Lyell, and the Treasury chief secretary, Mr William Waldegrave, a junior foreign office minister from 1988 to 1990.

However, Sir Richard accepts that Mr Waldegrave did not have any "duplicitous intention" and that Sir Nicholas was "personally, as opposed to constitutionally, blameless" for a failure to pass on important information to the judge in the Matrix Churchill trial.

Because of these brief judgments of what was in the minds of the two ministers, the prime minister has been able to resist pressure for them to be sacked.

If, as the report strongly suggests, they carried out some of their duties incompetently, that is apparently an insufficient reason for them to leave Mr Major's government. The prime minister can point to Sir Richard's view that their hearts were in the right place and insist that is what matters.

There was widespread puzzlement yesterday as to why Sir Richard felt the need to comment on their decency at all. "You would be hard pressed to find two more straight individuals," commented an opposition frontbencher. "But surely that is an irrelevant consideration. All that Scott was supposed to give his view on was whether they did anything wrong - and on that point he is unambiguous. They did."

The report's criticism of them is trenchant. It says that in late 1988, three ministers, including Mr Waldegrave, relaxed the strict embargo on the sale of military equipment to Iraq. "It is clear, in my mind," Sir Richard says, "that policy on defence sales to Iraq did not remain unchanged." This is a view he repeats frequently, describing statements to the contrary as "untrue" and "not accurate."

Yet in a series of letters to MPs and members of the public in 1989, Mr Waldegrave insisted that policy was unaltered. And Sir Richard says that answers to questions in both the Commons and the Lords "failed to inform parliament of the current state of government policy". Government statements about defence export policy were therefore "inadequate and misleading".

Sir Richard, in stark contrast to his professed confidence that Mr Waldegrave was not duplicitous, also insists "Mr Waldegrave knew,

Escape after the storm

Ministers' heads are unlikely to roll after the Scott report because of two crucial phrases supporting their integrity, says Robert Peston



first hand, the facts that, in my opinion, rendered the 'no change in policy' statement untrue".

The UK government's defence - which it put to Sir Richard and has repeated in the past couple of days - that three junior ministers cannot as a matter of constitutional theory be responsible for a policy change is dismissed by the judge as "sophistry".

Misleading the House of Commons is a serious parliamentary offence. It is, therefore, significant that only minutes before the report was published on Thursday afternoon, Mr Major said that a minister would be unable to stay in his government only if "I judge" - not whether Sir Richard judged - that a

minister had "knowingly misled the House".

The judge's case against Sir Nicholas is almost as comprehensive as that against Mr Waldegrave. As attorney general, he was responsible for a series of ministers signing public interest immunity or PII certificates, which were designed to withhold documents from the 1992 trial of three directors of Matrix Churchill, the machine tool company. They were prosecuted for exporting military equipment to Iraq, in breach of the UK government's supposed embargo. The proceedings collapsed after it was disclosed that the government knew of the exports.

Sir Richard makes a barrage of

How the FT broke the story in 1989

Matrix-Churchill admits machinery sales to Iraq

By Nick Garnett and Richard Donkin

MATRIX CHURCHILL, the Coventry-based machine tool company named in the BNL affair yesterday confirmed it had sold to Iraq machine-

to Iraq and Iran. Both these forlorn supply of lethal weapons or equipment that could significantly enhance the military capacity

criticisms about Sir Nicholas's interpretation of legal precedent in his use of the PII certificates. The response of the government and Sir Nicholas is simply to say that the report is wrong, that assorted legal experts have consistently backed their approach and that Sir Richard is not a recognised expert in this area.

But underlying this debate on legal niceties is a more serious complaint: that the government arrogantly and unthinkingly put a premium on secrecy in relation to any activities in the defence field.

Even when it was clearly in the interests of justice for documents to be disclosed in a court case to assist the defendants, and when disclosure posed no possible threat to national security or the more fundamental interests of government, papers were withheld.

Such was the culture of secrecy, ministers did not even bother to read the documents they chose not to pass to the court.

Only Mr Michael Heseltine, now deputy prime minister, had reservations about signing the PII certificate, and receives great praise from Sir Richard for his stance. But his conscientiousness serves to tarnish others who did sign, such as the chancellor, Mr Kenneth Clarke, the foreign secretary, Mr Malcolm Rifkind, and the social security secretary, Mr Peter Lilley - although they were cleared of any conspiracy.

The incident also furnishes Sir Richard with his most telling attack on Sir Nicholas, who is criticised for failing personally to ensure that Mr Heseltine's concerns were raised with the Matrix Churchill judge. "I do not accept that he [Sir Nicholas] was not personally at fault," Sir Richard says.

Sir Richard's clear preference is for openness and transparency in government. But if ever there was a sign that his views have not been heeded it has been in the manner in which the government has responded to his report.

With the benefit of eight days to study it - compared with just three hours for two nominated individuals from Labour and the Liberal Democrats - the government publicity machine bombarded journalists and MPs with papers and briefings identifying the small number of phrases helpful to its cause.

Many of the points it made would have been more appropriate had they been put out by the Conservative party's central office. But a

somewhat subjective analysis of the report had the imprimatur of Downing Street and other government departments, which are not supposed to stray into party conflicts.

However, the stakes were high for the government. In the great parliamentary game, the media's first impressions, especially the initial line taken in television news broadcasts, can be very important in determining whether ministers survive. And the widespread and almost immediate view among newspaper and television journalists that the ministers were safe was a significant achievement for the government.

Now Labour and the LibDems - in a joint campaign which is likely to herald further co-operation in the run-up to the general election - have the difficult task of persuading the UK electorate that Mr Major's refusal to sack Mr Waldegrave and Sir Nicholas is a scandal.

Whatever resonance the Scott report has in the Commons, it is highly technical and complex. Many people will probably agree with the Sun newspaper's analysis of "10 things you can do with the report", such as "resurface the M6... the 2,400 pages laid end to end would stretch a third of a mile".

But only if the opposition parties can generate public outrage is there any possibility of Tory MPs breaking ranks and voting against the government in a debate on the affair on Monday week.

The scale of the challenge was summed up by Sir Teddy Taylor, the often rebellious Tory MP for Southend East yesterday. He had no doubt that Sir Richard's criticisms were telling: "The report says you were seen throwing a brick through a window, I have a photograph to prove you threw a brick through a window, but you didn't realise it was a brick or a window."

Would he therefore vote with the opposition? "I think it will be very difficult for the traditional trouble-makers to cause trouble on this," he said. This, he said, was because of Sir Richard's conclusions that Sir Nicholas and Mr Waldegrave acted with the best of intentions.

Many MPs are therefore convinced that the government's real triumph - particularly after last summer's leaked extracts from the draft which severely criticised Mr Waldegrave - was in persuading Sir Richard of the ministers' integrity.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5338 (please set fax to "fax"). e-mail: letters.editor@ft.com Translation may be available for letters written in the main international languages.

Russia should repay old bonds before new issue

From El Dunkelmann.

Sir, Your article about Russian bonds ("Russia set to raise \$500m from first Eurobonds", February 9) failed to mention that there are still several series of imperial Russian bonds awaiting redemption. Following the 1917 revolution they were disavowed by the new Soviet government but, now that there is an independent Russian government again, surely the principal and interest outstanding on those issues should be settled before any new bonds are sold.

There are two interesting historical aspects to the imperial bonds. One series in my possession had interest payment coupons attached and these were duly detached up until the date of the revolution. The remaining coupons, an unfulfilled promise for the future, are a picturesque reminder of how quickly the fortunes of a country (and a bondholder) can change.

In 1983 a class action was entered in the US district court in New York for the repayment of the principal and interest on the bonds. The plaintiff - and this is absolutely true - was Carl Marks & Co Inc, et al and the defendant was the Union of Soviet Socialist Republics. (Carl Marks & Co is a well-established New York firm.)

H. Dunkelmann,
The Common Cottage,
Grafton,
Oxfordshire OX18 2RY,
UK

Independence of central banks wrong objective

From Dr Bimal Pradhan.

Sir, The Emu convergence criteria of budget deficit, inflation, and public debt are at odds with the objective of an independent central bank.

By definition an independent central bank must look after the economic interests of the country in question, irrespective of what the consequences of that policy might be on currencies of other EU

countries. Hence if a common currency is the objective, should we not jettison the independence of central banks as an objective?

Bimal Pradhan,
senior lecturer,
department of accounting and finance,
University of Hull,
Hull HU6 7RX,
UK

Hanson's solution courageous

From Mr Philip G. Turner.

Sir, Hanson is the subject of a lot of criticism at present. It has been suggested that it is a dinosaur. If dinosaurs are thought of as ferocious, formidable and awesome, then no description has applied better to Hanson or to his chairman. If it means large bulk and little brain, it is mistaken and insulting.

All successful companies, and Hanson has been emphatically that, must reach a growth plateau sometime and Hanson clearly has levelled out for the moment. Characteristically, Lord Hanson has proposed a bold and courageous solution to answer the challenge of future growth. You invested in

Hanson to benefit from the unique talent and energies of Lord Hanson and the late Lord White. The new arrangements will transfer their energy to four new management teams who have grown up with their spirit and culture without the constraint imposed by Hanson's own phenomenal success. Yet he now is greeted with a shower of brickbats. Critics will learn that Lord Hanson has plenty more bricks to throw back at them when the time comes.

Philip G. Turner,
deputy chief executive,
Wassall,
39 Victoria Street,
London SW1H 0EK, UK

A delicate question of standards

From Professor D.R. Myddleton.

Sir, David Cairns (Letters, February 12) writes with authority on international accounting standards. But when he asks for good American standards to be distinguished from bad, he puts his finger on a delicate point. Who is to decide which

accounting standards are good and which bad? If professional accountants can be trusted to form their own view on this question, why have compulsory standards?

D.R. Myddleton,
Cranfield School of Management,
Cranfield, Bedford MK43 0AL, UK

No attempt to recover sums lost in Irish beef affair

From Mr Jonnie McCarthy.

Sir, Your editorial, "Irish beef" (February 7) may have performed a valuable public service if it assists the Irish government to come to terms with its responsibility for the proposed fine of £100m plus imposed by the European Union against Ireland for its breaches of EU regulations.

The leader correctly apportioned the blame and flagged the reason for the EU's proposed fines as being "the extent of the Irish government's failure to police its own market".

Article 8 of Council Regulation 729/70 in clear and unambiguous terms lays down the government's duties and obligations to "prevent and deal with irregularities" and to "recover sums lost as a result of irregularities".

In the matter of the recovery of funds lost in 1980 and 1981 for which the EU proposes to fine Ireland £100m plus, to date the Irish government has not recovered as much as one penny from the parties who benefited from the irregularities in the first instance.

Worse than that, despite the government's obligation to take the measures necessary to recover the sums lost in 1980 and 1981, to date the government has not even issued one plenary summons in an effort to attempt to recover the sums lost.

Jonnie McCarthy,
18 Lansdowne Road,
Dublin 4,
Ireland

The Government of South Australia

MAJOR TIMBER PROCESSING BUSINESS FOR SALE

The Government of South Australia is seeking Expressions of Interest from Australian and international parties who wish to consider acquiring Forwood Products Pty Ltd ("Forwood") and its operating assets.

The business of Forwood includes:

- timber milling and processing facilities at Mount Gambier, Nangwarry and Mount Burr in the south-east of South Australia;
- production and marketing of sawn and engineered timber products (including laminated veneer lumber products), treated roundwood and residues;
- production of furniture-quality timber and furniture components; and
- medium and long-term supply contracts for raw material.

Forwood has a highly skilled workforce of approximately 900 and is Australia's leading manufacturer and marketer of timber engineered products.

Expressions of Interest are sought for the acquisition of Forwood by sale of all of Forwood's issued shares which are held by the South Australian Timber Corporation and for land, buildings, plant and equipment currently leased to Forwood by the South Australian Timber Corporation.

In addition to expressing interest in Forwood with the current log supply arrangements, parties are invited to make optional offers for Forwood with extended period log supply contracts.

Expressions of Interest should contain:

- details of the legal status of the interested party, including ownership structure;
- a copy of the interested party's most recent annual report;
- details concerning the nature and extent of the party's interest; and
- contact names, addresses, telephone numbers and facsimile numbers.

Expressions of Interest should be lodged by principals only.

Based on the Expressions of Interest, and at the sole discretion of the Government, selected parties will be provided with a copy of a Confidentiality Deed for execution. Following execution of that Deed, they will be provided with a detailed Confidentiality Information Memorandum.

In selecting parties to whom an Information Memorandum will be provided, consideration will be given to a number of factors, including:

- the financial strength of the interested party;
- the interested party's objectives from the acquisition; and
- the benefits which the interested party could provide to the South Australian economy.

The sale of Forwood is being handled on the Government's behalf by the Asset Management Task Force. Enquiries in relation to Expressions of Interest should be directed to Mr John Sangster or Mr David Haddock of the Asset Management Task Force (refer contact details below).

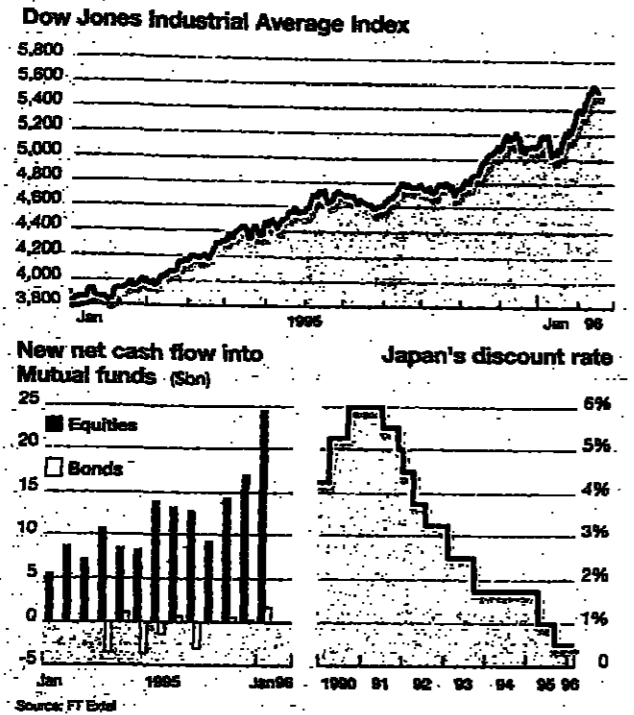
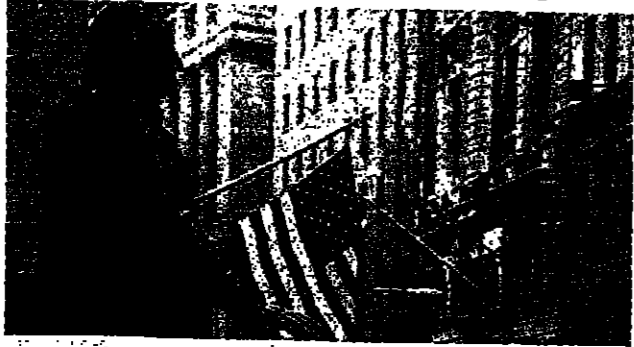
Expressions of Interest are required to be lodged by Friday, 1 March 1996 with:

Dr Roger Sexton
Chairman, Asset Management Task Force
Level 27, 91 King William Street, Adelaide SA 5000
Telephone 61 8 204 8900
Facsimile 61 8 204 8930

Interested parties are encouraged to lodge an Expression of Interest as soon as possible.

Handwritten signature or stamp in Arabic script.

Wall Street: is there further to go?



Wall Street nervous in the bull ring

The money tap is flooding the US market, says Tony Jackson

Anyone who is not nervous about Wall Street these days has not been paying attention. It was only last November, after all, that the Dow Jones index shot through the historic barrier of 5,000. Last week it touched 5,000. This week it has risen to 5,100. The extraordinary rise prompts three obvious questions. How much further can the market go? When it stops, will it crash? And will other world markets follow suit?

The answers, in that order, are: nobody knows; probably not; and yes, but with luck not for long.

The chief force driving the market in recent months is liquidity: in plain terms, the flood of cash looking for a home. Last year there was much debate on whether the market was overvalued on fundamental grounds. But by this stage, normal valuations scarcely apply. As one New York fund manager puts it, "even the money coming in, any level will do".

So where is the money coming from? A variety of sources, it seems, not all of them reliable in the long run. First, the American public continues to pump cash into the market through the purchase of mutual funds - some \$25bn (£17bn) net last month alone. This seems unlikely to last. Optimists have argued that middle-class insecurity -

so-called white-collar shock - means people are saving more against the threat of unemployment. The snag is that the savings ratio has not risen in proportion. Instead, people seem either to be switching their money from other types of asset - such as bonds or real estate - or borrowing it to buy stocks. Either way, the process is finite.

Another source of cash is the corporate sector. At a time of rising profits companies have large amounts of cash in their coffers. Normally they would be spending it on expansion; but this time, while capital spending is high in absolute terms, it is not enough to soak up surplus liquidity.

Much of the resulting liquidity is being spent on stock buy-backs. Some is also going on acquisitions, which are running at a record level. And presumably - although this is difficult to track - corporate treasurers are putting some of it into the market directly.

The reasons for the corporate cash mountain are debatable. Ms Cornelia Small, global equity strategist at the fund managers Scudder, Stevens & Clark, says it is partly due to America's gradual evolution from a goods-based economy to one based on information. In the long run, an information-based economy needs less capital to operate since it relies less on physical plant and inventories.

In the shorter run, corporations also have little incentive to expand. The rise of global competition has done much to suppress inflation, since spare capacity is always on tap from elsewhere in the world. But the same phenomenon makes it less attractive for US companies to add capacity at home.

A third flow of cash comes from overseas, particularly Japan. This is an indirect process, since there is little evidence of foreign buying of US equities. But there is strong foreign buying of Treasury bonds, which helps depress bond yields and thus pushes up stock prices. In part, this is because the Japanese government keeps buying dollars in an attempt to depress the yen, and parks the money in US Treasuries. It is also because Japanese interest rates have been lower for almost a year, vanishing point in an attempt to prod the economy out of depression.

It is thus possible to borrow money very cheaply in Japan and switch it to the US for a higher return. As a source of funds, this cannot be counted on. When the Japanese economy picks up, as eventually it must, interest rates will rise and Japanese cash will be

called back home to fund the recovery.

There is another risk. At present, the US stock and bond markets are in a curious state of equilibrium. Both appear to believe in the so-called Goldilocks scenario, in which the US economy, like the porridge in the fable, is neither too hot nor too cold.

Thus the bond market is happy because it sees a recession coming. The stock market is happy because it expects another year of growth in corporate earnings. In real life, this balance is unsustainable. Either the economy will tip further into recession, in which case the stock market will take fright; or the economy will pick up speed, in which case the bond market will suffer, and the stock market along with it.

At some point, then, Wall Street's money tap is going to get turned off. What will the result be? Another crash of '87? There are two reasons for thinking otherwise. The first is simply one of history. In 1987, the market astonished itself by falling 23 per cent in a day. It then went on to new heights. The incident is engraved on investors' minds, and they are the less likely to panic next time.

The other reason is that the market is not absurdly overvalued on conventional grounds. In the summer of 1987, there were plenty of commentators pointing out that the price of stocks versus bonds, for instance, was unreasonably high. Today, by yardsticks such as earnings multiples or the ratio of stock prices to book values, the market is by general consent at the top of its range, but not beyond it.

The end of the bull run should therefore be a quieter affair. At one extreme, it could consist simply of prices standing still for a year or two. At the other, it could produce a full-scale correction, say of 10 per cent. Since this would mean a fall of more than 500 points - the same as in 1987 - it could hit the headlines; but the substance will be very different.

That kind of fall would certainly unsettle foreign markets. Those who recall the 1987 crash will remember the so-called "Mexican wave" effect, whereby markets, with the conspicuous exception of Japan, crashed around the globe according to time zones. London, in particular, seems oddly incapable of breaking its slavish dependence on Wall Street from day to day, however different the domestic circumstances.

In the longer run, foreign markets should recover their poise. After all, overseas fund managers have been convinced for the past year that Wall Street was overvalued, and stayed away; their performance figures have been pummeled accordingly. It would be perverse if they saw Wall Street weakness as a reason for selling at home.

But foreign reaction would depend on just why Wall Street runs out of steam. If the reason were a weak economy and a drop in corporate earnings, well and good. But if it were because of revived fears of US inflation and higher interest rates, the damage to foreign markets would be more widespread.

The real underlying reason for Wall Street's rise - the basis for all that inflow of cash - is the belief that the inflationary dragon has finally been slain. That view has become an article of faith in the US.

In several of the world's big markets, in the UK for instance, it still meets with scepticism. But the return of US inflation might still be taken as unsettling evidence of a global trend.

All in all, this seems a bad time to invest in American equities. Granted, the market may well rise another 500 points. On balance, it is more likely to fall by a similar amount. And that, of course, is the time to buy.

The battle for the president's soul

Western leaders, who rushed this week to back Russian President Boris Yeltsin in his bid for re-election, appear to be treating June's presidential ballot as a straightforward contest between the reformist Mr Yeltsin and his strongest rival, the Communist leader Mr Gennady Zyuganov.

Yet to Russians the battle lines seem far less clearly drawn. Most Russian observers agree their country is in the midst of a decisive struggle between liberal reforms and the resurrection of an authoritarian system. But they say the dividing line is not located in the space separating Mr Yeltsin and Mr Zyuganov; the real battle is within what Russian analysts call Mr Yeltsin's "soul" - and they fear his darker instincts are winning.

On the campaign trail in Ekaterinburg in the Urals this week, these warring inclinations were on display as Mr Yeltsin wavered between playing a modern, flesh-and-blood politician and an old-fashioned autocrat.

On the one hand, his campaign launch self-consciously mimicked the sentimental rituals of US presidential campaigns. Mr Yeltsin journeyed to his "hometown" to make the formal announcement of his candidacy and underscored his personal links with the industrial heartland by visiting his father's grave. Throughout his whirlwind tour of the city, he threw himself into the crowds of curious bystanders with such zest that when it was time to make his long-awaited address his voice had been reduced to a hoarse growl.

And, in an outburst of the populist exuberance which is Mr Yeltsin's greatest political strength and his most serious liability, the Kremlin chief repeatedly diverged from his written text to offer romantic advice to the love-lorn girls of Ekaterinburg, make extravagant spending promises and castigate nouveau riches entrepreneurs who can afford holidays in Cyprus or Corfu.

But Mr Yeltsin's "ordinary Ivan" performance periodically gave way to glimpses of an authoritarian character who seemed distantly related to Ivan the Terrible.

Ekaterinburg was sanitised for his visit as carefully as Soviet cities were once prepared for the arrival of the

A Yeltsin win would be no guarantee of Russian renewal, says Chrystia Freeland



Salute from presidential contenders Boris Yeltsin (left) and Gennady Zyuganov

general secretary of the Communist party, roads were meticulously cleared of snow, and hand-picked crowds of loyalists were assembled on freezing street corners in case Mr Yeltsin should choose to go on a walk-about. It was said that bottled water had been specially supplied to protect the Russian leader from the vagaries of a sewage system he helped to construct when chief of the regional administration.

Even more worrying was his apparent belief that, as president, his personal powers are almost as limitless as the authority of the tsars. In the middle of his campaign speech, he ordered the regional governor to sack the president of a local private enterprise because the businessman was allegedly drawing too high a salary. "Do it by tomorrow," Mr Yeltsin barked.

His vacillation between authoritarianism and democracy can be traced to his complicated political evolution. The support Mr Yeltsin has received recently from the west suggests that he is still viewed as the champion of democracy who broke up the Soviet Union and dismantled communism.

But it is also true that before he became a democratic rebel, Mr Yeltsin was a highly successful Communist party functionary. Indeed, in one of the sharpest ironies of the presidential race,

allies, this latest shift has been the last straw. As Mr Sergei Kovalyev, former head of the president's council on human rights, explained in an eloquent letter of resignation: "It is sad for me that you have lost your soul, that you are unable to evolve from a Communist party secretary into a human being."

Mr Kovalyev went on to argue that Mr Yeltsin's metamorphosis meant there was now little to choose between the president and his leftist rivals: "Today you call yourself the only alternative to Zyuganov and Zhirinovskiy, but in vain, since you now have more features in common with them than differences. And if we have to choose among you, it will be like choosing which mafia organisation to apply to for protection."

Not all Russian politicians and business executives agree with Mr Kovalyev. Some argue that, no matter what his flaws, Mr Yeltsin is preferable to a Communist president who might nationalise property, abrogate democratic freedoms and return to an expansionist foreign policy.

"No one realises how dangerous the Communists are. But these are real Communists, they are committed to collective ownership," says Mr Kakha Bendukidze, a Moscow entrepreneur who has bought up some of Russia's most valuable companies through the privatisation programme.

But even committed Yeltsin supporters such as Mr Bendukidze have backtracked on their earlier enthusiasm. "We may not love Yeltsin, but this is not a marriage. There is simply no political alternative," he says. "After the elections we will either have a Communist Russia or an oligarchic Russia. Neither country will be much fun to live in."

The presidential elections on June 16 will be a watershed in the development of Russian democracy. If it goes ahead, the ballot will be the first opportunity the citizens of a sovereign Russia have ever had to elect their head of state. But for many Russians, their joy in the strengthening of democracy is tempered by their belief that Russia's first free choice will be between a latter-day tsar and a neo-Communist.

Eros on the cheap

Clive Cookson on the slimmed-down US space programme

Baltimore last weekend, Mr Goldin repeated his belief that NASA should be a scientific agency first and foremost. In the past, he said, NASA's main reasons for existence had been to create work for its staff and contractors, and to win the cold war.

"This nation went to the moon to beat the Russians," he said. "At the time of Apollo programme - which had nothing to do with science - NASA consumed 5 per cent of the federal budget. Today we spend 0.9 per cent of the budget."

Mr Goldin begged his scientific audience to stop judging NASA by "inputs" such as dollars and employees, and start assessing the output. "We have started 25 new programmes with 20,000 fewer people," he added.

Abandoning manned space flight and relying on craft with robotic explorers could lead to huge cost savings. But such a radical change is not on NASA's agenda.

The agency will persevere with the permanently manned international space station, the first components of which will be launched next year. And it plans to develop a low-cost successor to the Shuttle to carry people into space and back in the next century.

Mr Goldin's highest priority is to fix NASA's "festering, nagging and shameful" failure to develop a cheap and safe launch vehicle. "No longer are we going to pay the price of re-engineering 1950s ballistic missile technology," he says. The target is a launcher that can carry people and equipment into space for \$1,000 per pound, rather than the \$10,000 to \$20,000 per pound of the Shuttle.

He insists that robots cannot replace all human activity in space. "People are going to inhabit other planets at some time," he promises. "We have to work out ways for people to live safely and productively in space. NASA will no longer be about rockets, it's going to be about the life sciences."

Young Turk of the chess world

A tournament is part of research into new computer systems, says Tom Foremski

In 1769 the Hungarian Baron Wolfgang von Kempelen created the Turk, a mechanical chess-playing machine that amazed the royal courts of Europe. The modern version of the Turk is Deep Blue, a supercomputer designed by International Business Machines, modified with special chips and software.

As Garry Kasparov, the world chess champion, takes on Deep Blue in a series of six matches in Philadelphia, sponsored by the Association for Computing Machinery with \$600,000 in prize money, the games have become a test of how far modern computing has progressed.

The Turk was an ingenious illusion that concealed a human operator. And in the same way, Kasparov is not taking on a machine, but a team of four IBM researchers who are using the latest hardware and software technologies to distill the essence of a world-class chess grandmaster such as Kasparov, surpass his playing skills, and learn from the experience.

Deep Blue is the son of Deep Thought, a previous attempt by IBM to create a world-class chess-playing computer. It was triumphed by Kasparov in 1989. Its successor took five years to develop and consists of an IBM SP2 supercomputer beaded up with specially designed chess-playing chips. The combination of the hardware and special software lets Deep Blue analyse more than 200m chess positions per second.

Dr Chung-Jen Tan, head of the IBM research team that created

Deep Blue, says: "The lessons we learn in this scientific experiment will be applicable to complex problems such as economic modelling and air traffic control." Deep Blue is the latest in a long line of attempts by scientists to teach computers how to play chess and beat human players.

Alan Turing, the brilliant British computer scientist, developed some of the computational theory for a chess-playing computer in the 1940s. But it was 1958 before Rand Corporation in the US developed its NSS chess program running on the Johniac computer. Each move took an hour to compute.

Although Deep Blue won the first game against Kasparov, it lost the second, proving that sheer computer power is not the only key to winning. The IBM programmers have to consider strategic analyses and determine the complex question of what constitutes a winning game.

As for Kasparov, the contest has become one of defending human "dignity" against the cold calculating power of the computer. Before the first match he said: "Here we are to discuss the ultimate question of whether one day the computer will beat the human world champion. Maybe it will happen in a week's time. But I remain a cautious optimist in the progress of human brains as well. I still believe there are some horizons it will be very difficult for computers to cross."

Kasparov's strategy has been to find Deep Blue's weaknesses. He knows its programmers have been forced to make some choices about the style of play. Without access to previous Deep Blue games, Kasparov must discover these weaknesses as he plays the computer. He knows the computational power of Deep Blue gives it positional strength, and that he cannot use psychological attacks such as seeming to threaten the king by positioning pieces in a way that would distract a human opponent.

His tactics have been to use certain gambits that might confuse Deep Blue and make it seem as if it is winning while the human player builds a strong attack. Four games have been played, with the first won by Deep Blue, the second by Kasparov and the third and fourth drawn. The fifth game was being played yesterday and the final today.

An additional problem Kasparov faces is that the program running Deep Blue can be changed and given different priorities.

"We aren't allowed to make changes during the game," explains Dr Tan. "But we do make changes in the program's parameters in between games." This will make it difficult for Kasparov to continue to exploit any weaknesses he may uncover.

Apart from the pressure put on a human opponent through positioning pieces, there is another psychological aspect to winning at chess. Playing Deep Blue, Kasparov grimaces and scowls. The computer, of course, is immune to such displays, which some of Kasparov's human opponents have described as intimidating.

Dr Tan chuckles at the suggestion that an actor should execute Deep Blue's moves with grimace or make psychological plays at important points in the game. "It's not an exercise in psychology," he explains. But he concedes that in modelling economic scenarios - one of the intended by-products of Deep Blue's program - mass psychology does play a part in determining outcomes.

Win or lose, Dr Tan and his team have already declared a success for Deep Blue. The chess project will continue as part of IBM's overall research into developing more powerful computer systems. These will

Deep Blue in deep thought: Kasparov (left) takes on the computer at chess

CURRENCIES AND MONEY

MARKETS REPORT

Rand plunges

By Philip Gawth

The South African rand's post-apartheid honeymoon came to a sharp halt yesterday as heavy selling drove it to a record low against the dollar.

The rand's fall was prompted by a crescendo of rumours about the abolition of exchange control, and the health of President Mandela.

Following a remarkably steady performance for nearly a year after the abolition of the financial rand (investment currency) last March, the rand yesterday fell off the cliff. It plummeted as low as R3.88 against the dollar, before recovering to finish in London at R3.784, from R3.615.

The fall in the rand came against the backdrop of, and contributed to, a weaker dollar, which finished at DM1.4617, from DM1.4713. Against the yen it closed at Y105.34, from Y106.11.

A series of weak economic

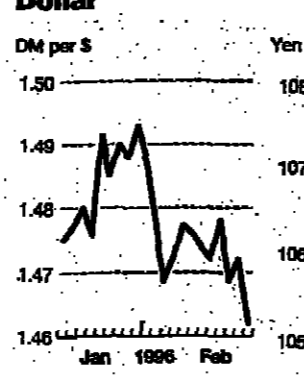
figures recently have not helped the dollar. It has also been the victim of a renewed trend among investors to retreat back towards the traditional safe haven currencies - the D-Mark, yen and Swiss franc.

The plunge in the rand was a classic market panic. There was no substantial news development to prompt it, simply an aggregation of rumours which

had built up over recent days. Selling started in London on Thursday, and then picked up momentum yesterday. One large US investment bank was cited as a heavy seller.

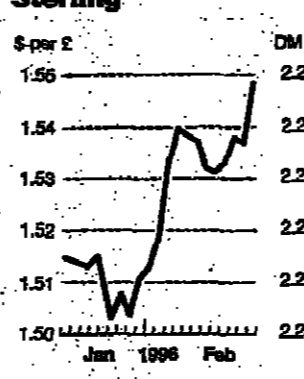
Three points stand out. First, many economists felt the rand needs to be seen in the context of wider currency market developments, where there is a general retreat by investors from the high-yielding markets that were favoured in the early weeks of the year. This includes the rand, but also some other exotic currencies, and European currencies like the Italian lira.

Dollar



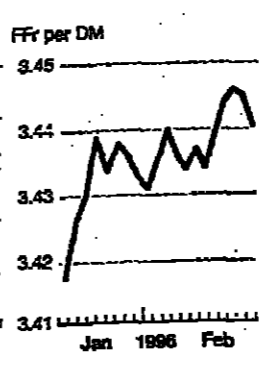
Source: FT Data

Sterling



Source: FT Data

D-Mark



Source: FT Data

A year ago, nobody would have predicted that the unified rand would trade so steadily. Indeed, with the nominal rate flat against the dollar, and South African inflation running about 5 percentage points higher, there had been a real appreciation of the currency.

Second, although rumours about Mr Mandela's health always damage sentiment, the main factor in yesterday's moves was the talk about relaxation of exchange control. Third, the fall in the rand needs to be seen in the context

of wider currency market developments, where there is a general retreat by investors from the high-yielding markets that were favoured in the early weeks of the year. This includes the rand, but also some other exotic currencies, and European currencies like the Italian lira.

Mr Avinash Persaud, currency strategist at JP Morgan in London, said: "We have returned to a period where the market is much more risk averse, much more circumspect than it was."

He said it was the market's mood that had changed, rather than the underlying fundamentals, or outlook for German, Japanese or US monetary policy. The market, however, was clearly unnerved by the comments on Thursday from Mr Wataru Kubo, the Japanese finance minister, about the possibility of higher interest rates in Japan.

Mr Persaud said the fact that currencies as diverse as the yen and the D-Mark were all falling prey to the same trading patterns showed how

generalised they had been in the first place. Mr Constantin Vayenas, the UBS analyst who wrote a report earlier this week saying the rand was 7-10 per cent overvalued against the dollar, said the manner of yesterday's correction had been out of all proportion to South Africa's good economic fundamentals.

The report had predicted the rand slipping to R3.75 by year end. Mr Graham Bell, economist at Standard Bank in London, said a R3.75-90 trading range now seemed likely.

POUND SPOT FORWARD AGAINST THE POUND

Table with columns: Country, Currency, Bid/offer, Change, etc. Lists various countries and their exchange rates against the pound.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table with columns: Country, Currency, Bid/offer, Change, etc. Lists various countries and their exchange rates against the dollar.

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Table showing exchange rates for various currencies including Euro, Swiss Franc, Japanese Yen, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various countries.

D-MARK FUTURES (MM) DM 125,000 per DM

Table showing D-Mark futures data including Open, Last, Change, High, Low, etc.

JAPANESE YEN FUTURES (MM) Yen 12.5 per Yen 100

Table showing Japanese Yen futures data including Open, Last, Change, High, Low, etc.

STERLING FUTURES (MM) £25,000 per £

Table showing Sterling futures data including Open, Last, Change, High, Low, etc.

PHILADELPHIA SWISS FR/CHF OPTIONS (Cents per point)

Table showing Philadelphia Swiss Fr/CHF options data including Strike Price, Calls, Puts, etc.

UK INTEREST RATES

LONDON MONEY RATES

Table showing London money rates for various instruments like Interbank Sterling, Treasury Bills, etc.

UK clearing bank base lending rate

Table showing UK clearing bank base lending rate for various terms.

Certs of Tax dep. (€100,000)

Table showing Certificates of Tax Deposit rates for various terms.

THREE MONTH STERLING FUTURES (LIFE) £500,000 points of 100%

Table showing Three Month Sterling Futures data including Open, Settle, Change, High, Low, etc.

THREE MONTH EURO DOLLAR FUTURES (LIFE) \$1m points of 100%

Table showing Three Month Euro Dollar Futures data including Open, Settle, Change, High, Low, etc.

BASE LENDING RATES

Table showing base lending rates for various banks and currencies.

WORLD INTEREST RATES

Table showing world interest rates for various countries and currencies.

Table showing LIBOR FT London and US Dollar CD rates.

EURO CURRENCY INTEREST RATES

Table showing Euro currency interest rates for various currencies.

THREE MONTH EURO DOLLAR FUTURES (LIFE) \$1m points of 100%

Table showing Three Month Euro Dollar Futures data including Open, Settle, Change, High, Low, etc.

THREE MONTH EURO DOLLAR FUTURES (LIFE) \$1m points of 100%

Table showing Three Month Euro Dollar Futures data including Open, Settle, Change, High, Low, etc.

THREE MONTH EURO DOLLAR FUTURES (LIFE) \$1m points of 100%

Table showing Three Month Euro Dollar Futures data including Open, Settle, Change, High, Low, etc.

THREE MONTH EURO DOLLAR FUTURES (LIFE) \$1m points of 100%

Table showing Three Month Euro Dollar Futures data including Open, Settle, Change, High, Low, etc.

THREE MONTH EURO DOLLAR FUTURES (LIFE) \$1m points of 100%

Table showing Three Month Euro Dollar Futures data including Open, Settle, Change, High, Low, etc.

THREE MONTH EURO DOLLAR FUTURES (LIFE) \$1m points of 100%

Table showing Three Month Euro Dollar Futures data including Open, Settle, Change, High, Low, etc.

THREE MONTH EURO DOLLAR FUTURES (LIFE) \$1m points of 100%

Table showing Three Month Euro Dollar Futures data including Open, Settle, Change, High, Low, etc.

THREE MONTH EURO DOLLAR FUTURES (LIFE) \$1m points of 100%

Table showing Three Month Euro Dollar Futures data including Open, Settle, Change, High, Low, etc.

THREE MONTH EURO DOLLAR FUTURES (LIFE) \$1m points of 100%

Table showing Three Month Euro Dollar Futures data including Open, Settle, Change, High, Low, etc.

THREE MONTH EURO DOLLAR FUTURES (LIFE) \$1m points of 100%

Table showing Three Month Euro Dollar Futures data including Open, Settle, Change, High, Low, etc.

OFFSHORE COMPANIES advertisement with contact information for various services.

Signal advertisement for real-time quotes and news headlines.

KNIGHT-RIDDER'S FUTURES MARKET DATAKIT advertisement.

FUTURES PAGER advertisement for currency and futures updates.

Bulgaria advertisement for the Financial Times survey, including contact information for Patricia Surridge and Adia Advertising.

SEND US YOUR OWN PAPERCLIP advertisement for Macmillan Cancer Relief.



FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 673 4378 for more details.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Starling Fund Managers Ltd, City of London Unit Trusts, and others, with columns for name, price, and other details.

Table listing unit trusts under the heading 'Starling Fund Managers Ltd - Contd.', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Guide to pricing of Authorised Unit Trusts. Includes sections on Initial Charge, Historic Pricing, Forward Pricing, and Treatment of Manager's Periodic Charge.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Table listing unit trusts under the heading 'City of London Unit Trusts (Contd.)', including various equity and income funds.

Pension Fund Investment in Europe. Advertisement for Debbie Harrison, featuring a testimonial and an order form for a report on pension fund investments in Europe.

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4373 for more details.

Table of FT Cityline Unit Trust Prices, listing various funds such as Old Mutual Fund Managers Ltd, RBC Global Fund Management, and others, with columns for fund name, price, and change.

INSURANCES

Table of Insurance companies and their services, including Abbey Life Assurance Co Ltd, Eagle Star Life Assurance Co Ltd, and others, with columns for company name, address, and contact information.

OTHER UK UNIT TRUSTS

Table of Other UK Unit Trusts, listing various funds such as Willsborough Unit Trust Managers Ltd, Wetherby Fund Managers Ltd, and others, with columns for fund name, price, and change.

Handwritten text in a box at the bottom right of the page, possibly a signature or note.

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Table of fund prices and performance for various categories including London & Manchester, National Westminster, Prudential Corporate Pension Funds, Scottish Amicable, and Sun Life Assurance Society.

Table of fund prices and performance for various categories including Prudential Corporate Pension Funds, Scottish Amicable, Scottish Provident Institution, Sun Life Assurance Society, and J. D. Ward Financial Services Ltd.

Table of fund prices and performance for various categories including Sun Life Assurance Society, J. D. Ward Financial Services Ltd, and various other fund providers.

Table of fund prices and performance for various categories including Sun Life Assurance Society, J. D. Ward Financial Services Ltd, and various other fund providers.

Stop! Are you about to break the law by copying from this newspaper? Under the Copyright, Designs and Patents Act 1988, except for single copies for research or private study, it is unlawful to reproduce articles from newspapers without permission.

MANAGEMENT SERVICES. Capital Trust Financial Management, Investment Services, and other financial management solutions.

MANAGEMENT SERVICES. Investment Services, Financial Planning, and other financial management solutions.

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Table listing Bermuda funds including Fidelity Currency Funds Ltd, Fidelity International Funds Ltd, and others with columns for Name, Price, and % Change.

BERMUDA (REGULATED)**

Table listing Bermuda regulated funds including Bermuda Intl Investment Manager Ltd, Bermuda Intl Investment Manager Ltd, and others.

GUERNSEY (SIB RECOGNISED)

Table listing Guernsey funds including All Investment Managers (Guernsey) Ltd, All Investment Managers (Guernsey) Ltd, and others.

GUERNSEY (REGULATED)**

Table listing Guernsey regulated funds including All Investment Managers (Guernsey) Ltd, All Investment Managers (Guernsey) Ltd, and others.

Table listing Guernsey funds including Royal Bk of Canada O/S Fd Mgrs Ltd, Royal Bk of Canada O/S Fd Mgrs Ltd, and others.

GUERNSEY (REGULATED)**

Table listing Guernsey regulated funds including AMZ Magnet Co (Guernsey) Ltd, AMZ Magnet Co (Guernsey) Ltd, and others.

IRELAND (SIB RECOGNISED)

Table listing Ireland funds including All Fund Management Ltd, All Fund Management Ltd, and others.

Table listing Ireland funds including Business Flight Select Funds Plc, Business Flight Select Funds Plc, and others.

IRELAND (REGULATED)**

Table listing Ireland regulated funds including All Fund Management Ltd, All Fund Management Ltd, and others.

Table listing Isle of Man funds including Chemical Island Fund Administrators Ltd, Chemical Island Fund Administrators Ltd, and others.

ISLE OF MAN (REGULATED)**

Table listing Isle of Man regulated funds including AXA Equity & Low Int'l Bond Mgrs, AXA Equity & Low Int'l Bond Mgrs, and others.

Table listing Jersey funds including Ashburton Global Funds Ltd, Ashburton Global Funds Ltd, and others.

JERSEY (SIB RECOGNISED)

Table listing Jersey funds including All Fund Managers (J) Ltd, All Fund Managers (J) Ltd, and others.

JERSEY (REGULATED)**

Table listing Jersey regulated funds including Ashburton Global Funds Ltd, Ashburton Global Funds Ltd, and others.

Table listing Jersey funds including John Govett Management (Jersey) Ltd, John Govett Management (Jersey) Ltd, and others.

JERSEY (REGULATED)**

Table listing Jersey regulated funds including John Govett Management (Jersey) Ltd, John Govett Management (Jersey) Ltd, and others.

Table listing Luxembourg funds including Eagle Star - Global Assets Fund, Eagle Star - Global Assets Fund, and others.

LUXEMBOURG (SIB RECOGNISED)

Table listing Luxembourg funds including Eagle Star - Global Assets Fund, Eagle Star - Global Assets Fund, and others.

LUXEMBOURG (REGULATED)**

Table listing Luxembourg regulated funds including Eagle Star - Global Assets Fund, Eagle Star - Global Assets Fund, and others.

Table listing Luxembourg funds including Nikko Capital Management, Nikko Capital Management, and others.

LUXEMBOURG (REGULATED)**

Table listing Luxembourg regulated funds including Nikko Capital Management, Nikko Capital Management, and others.

Handwritten signature or stamp in Arabic script at the bottom right of the page.

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 673 4378 for more details.

Main table containing financial data for various funds, including columns for fund names, prices, and performance metrics. Includes sub-sections for 'OTHER OFFSHORE FUNDS' and 'OFFSHORE INSURANCES'.

Handwritten note in Arabic script: 'هذه امثلة فقط' (These are just examples).

MANAGED FUNDS NOTES: Detailed disclaimer and information regarding the fund service, including contact details and legal notices.

YOUR PERCLIP: Advertisement for a service, including contact information for DON SW3 3BR.

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Feb 16/US\$)

(% CHG)

Table of stock prices for North America, including US companies like Apple, Microsoft, and IBM.

EUROPE

AMSTERDAM (Feb 16/US\$)

(% CHG)

Table of stock prices for Europe, including companies from the Netherlands, Germany, and France.

ASIA

TOKYO (Feb 16/US\$)

(% CHG)

Table of stock prices for Asia, including companies from Japan, Hong Kong, and Singapore.

AFRICA

JOHANNESBURG (Feb 16/US\$)

(% CHG)

Table of stock prices for Africa, including companies from South Africa.

AUSTRALIA

SYDNEY (Feb 16/US\$)

(% CHG)

Table of stock prices for Australia, including companies from Sydney.

Advertisement for Rockwell: 'From outer space to the factory floor Rockwell leads the way'. Includes Rockwell logo and list of industries: AUTOMATION, AERONAUTICS, TELECOMMUNICATIONS, DEFENCE ELECTRONICS, AEROSPACE, AUTOMOTIVE, GRAPHIC SYSTEMS.

INDICES

Table of various stock indices including Dow Jones, S&P 500, and Nikkei.

US INDICES

Detailed table of US stock indices and market data.

SOUTH AFRICA

Table of South African stock indices and market data.

ASIA

Table of Asian stock indices and market data.

AUSTRALIA

Table of Australian stock indices and market data.

INDEX FUTURES

Table of index futures prices for various markets.

NEW YORK STOCKS

Table of new York stock market activity.

NEW YORK BONDS

Table of new York bond market activity.

COMMODITIES

Table of commodity prices for various goods.

CURRENCY

Table of currency exchange rates.

Handwritten Arabic text: 'مركزنا التحويلي' (Our transfer center).

WORLD STOCK MARKETS

AMERICA

Dow recovers from early 50-point fall

US shares extended their recent string of losses as figures on industrial production were slightly stronger than expectations...

rise of 0.57 at 1,091.11. The market will be closed on Monday in observance of President's Day.

pretty substantial gains, so we were due for a little bit of cooling off," he said.

RJR Nabisco rose 4% to 322 1/2 as investors waited to hear if Mr Bennett LeBow, the corporate raider, would succeed in his bid to win shareholder support...

Monday to Wednesday. BDNOS ASSES took profits and the Merval index fell 1.51, or 2.1 per cent to 526.13 at midday.

EUROPE

Milan consolidation runs out of steam

A concerted early attempt at a consolidation ran out of steam in MILAN as President Oscar Luigi Scalfaro began the process to dissolve parliament...

the week, as turnover flattened out at DM8.1bn. Karlsruhe, Germany's biggest department store retailer, rose another DM11.50 to DM578.90...

while the figures were above expectations, there were doubts about 1996 earnings potential. Royal Dutch continued to suffer weakness following a disappointing earnings announcement...

sequently went into negative territory. The CAC-40 index lost 11.71 to 1,562.50, off a high of 1,663.98, little changed on the day.

335.15, 2.3 per cent up on the week in turnover inflated to Pt66.1bn by the run-up to the afternoon's futures settlement.

The Comit index picked up 0.04 to 606.00, down 5.2 per cent on the week, while the real-time Mbitel index turned back from the day's high of 9,788 to finish 130 lower at 9,654.

Among second-liners, Gehe, which said it was considering a yet higher offer for Lloyds Chemists, after UniChem increased its initial bid, fell DM15 to DM798.

PARIS tracked Wall Street during the afternoon and closed 1.23, down 0.5 per cent on the week.

Renewed interest in financials took the heavily traded Swiss Re up SF14 to SF1,250, on strong foreign demand.

The tumbling rand, which hit its lowest ever level in the morning session on rumours of an imminent scrapping of exchange controls, pulled industrials sharply lower in Johannesburg.

ASIA PACIFIC

Nikkei dips on investigation story

Worries among individual investors and brokerage dealers over a rumoured investigation of speculative issues by financial authorities depressed share prices and the Nikkei average closed down for the second consecutive day.

list of clients who had speculative favourites prompted a sell in the game. Kanamatsu-NKK fell Y230 to Y2,490 and Takara Shoko dropped Y40 to Y1,900.

prevail in HONG KONG which saw the final session of the lunar Year of the Pig at another 24-month high, amid hopes of a Year of the Rat rally when the market opens after the Chinese New Year holiday next Tuesday.

At 1,090.05, and 2.9 per cent higher on the week. Analysts noted that the index was held back by losses in Genting, down 70 cents at M\$2.30 and Resorts, 50 cents weaker at M\$14.20, after both gaming-based concerns reported disappointing 1995 results.

SEKUL was higher in active trade on demand for financial shares which have recently been attracting foreign interest. The composite index ended 8.69 higher at 578.00, a fraction up on the week.

The 225 index closed down 33.42 at 20,827.77 after trading between 20,580.63 and 20,894.76. Wall Street's decline on Thursday discouraged investors while the fall in the dollar fall also hurt investor confidence.

High-technology stocks were mixed as some foreigners moved to sell their holdings. Kyocera slipped Y190 to Y6,860 on reports of sluggish shares of its personal handy phones, a limited use mobile phone.

SHANGHAI's hard currency B index jumped 1.354 or 2.3 per cent to 62,388, up 3.2 per cent on the week, largely on institutional window dressing ahead of the holiday that will keep the market closed until March 4.

WELLINGTON'S NZSE-40 index put on 10.92 at 2,085.13, lower on the week, as Telecom climbed 7 cents to NZ\$48.39.

rumours that the Securities and Exchange Surveillance Commission had asked some brokerage houses to submit a

Roundup

A upbeat mood continued to

prevail in HONG KONG which saw the final session of the lunar Year of the Pig at another 24-month high, amid hopes of a Year of the Rat rally when the market opens after the Chinese New Year holiday next Tuesday.

WELLINGTON'S NZSE-40 index put on 10.92 at 2,085.13, lower on the week, as Telecom climbed 7 cents to NZ\$48.39.

Singapore: safe haven with strong attractions

Philip Coggan looks at 'the Switzerland of Asia'

Many a European country struggling to meet the Maastricht criteria for currency union would love to be in Singapore's position.

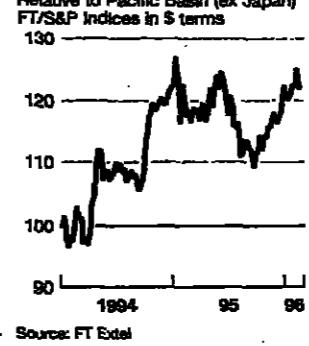
Switzerland of Asia' as some have dubbed it. There is no fear of a Mexican style currency crisis; the Singapore dollar actually gained 6.6 per cent against the Japanese yen in 1995.

Another big sector of the economy is financial services. Many years of investment in infrastructure has enabled the island to develop attractions as a regional hub for those interested in south east Asia, and the city may well lure companies from Hong Kong, if the Chinese handover does not progress smoothly.

As a stock market, Singapore has also been performing well. Yesterday saw active fund buying and the Singapore Straits Times Industrial Index (STII) rose 14.67 to 2,453.88 for a two day gain of 2.2 per cent, down a fraction on the week after a period of consolidation.

There is some hope that a second tranche of Singapore Telecom might be placed later in the year, and the island's very successful port is another long term candidate for privatisation.

The very stability of the Singapore market, which guided it safely through the storm of 1994-95, will probably mean that it is never going to be the star performer when Asian markets finally, as they seem to be doing this year, recover. Now is it really all that amazing market - its GDP of \$24,000 per head makes it richer than Britain. But for those international investors willing to take an interest in a small market, it looks a quality long-term bet.



Having said all that, the Singapore market has a fundamental problem. It is simply too small to attract a significant weighting in a global investor's portfolio - the country makes up only 0.6 per cent of the FTSE & P-A World Index.

Secondly, Singapore Power is

Secondly, Singapore Power is

LONDON EQUITIES

Table with columns for 'On Friday', 'On the Week', and 'Same'. Rows include various market indices like British Funds, Other Fixed Interest, General Manufacturers, Consumer Goods, Services, Utilities, Financials, Investment Trusts, and Others.

TRADITIONAL OFFERS

Table with columns for 'Last Dealings', 'Feb 15', and 'Expiry Settlement'. Rows include various financial products like FTSE, FTSE-100, FTSE-1000, etc.

LONDON RECENT ISSUES: EQUITIES

Table with columns for 'Issue', 'Price', 'Yield', 'Div', 'Gross', 'P/E', 'Sector'. Rows include various equity issues like F.P. 18.0, F.P. 18.0, etc.

RIGHTS OFFERS

Table with columns for 'Issue', 'Amount', 'Latest price paid', '1995/96', 'Closing price', 'variance'. Rows include various rights offers like 54D, 70, 235, etc.

FINANCIAL TIMES EQUITY INDICES

Table with columns for 'Ordinary Shares', 'Ord. div. yield', 'P/E ratio net', 'Share traded (bn)', 'Ordinary Shares Index (simple comp. high 2782.2, low 1810.9, low 4 26/94, Base Price 1/785)'. Rows show data for various equity indices.

LIFFE EQUITY OPTIONS

Table with columns for 'Option', 'Date', 'Open', 'High', 'Low', 'Close'. Rows include various equity options like ASDA, AFD, etc.

FT/S&P ACTUARIES WORLD INDICES

Table with columns for 'NATIONAL AND REGIONAL MARKETS', 'THURSDAY FEBRUARY 15 1996', 'Local', 'Gross', 'US', 'DOLLAR INDEX'. Rows include various world indices like Australia, Brazil, Canada, etc.

FT GOLD MINES INDEX

Table with columns for 'Gold Mines Index', '15 on day', '14 on day', '13 on day', '12 on day', '11 on day', '10 on day', '9 on day', '8 on day', '7 on day', '6 on day', '5 on day', '4 on day', '3 on day', '2 on day', '1 on day'. Rows include various gold mines indices.

FT GOLD MINES INDEX

Table with columns for 'Gold Mines Index', '15 on day', '14 on day', '13 on day', '12 on day', '11 on day', '10 on day', '9 on day', '8 on day', '7 on day', '6 on day', '5 on day', '4 on day', '3 on day', '2 on day', '1 on day'. Rows include various gold mines indices.

Vertical text on the left margin, possibly a page number or reference.

Vertical text on the left margin, possibly a page number or reference.

Vertical text on the left margin, possibly a page number or reference.

Vertical text on the left margin, possibly a page number or reference.

Vertical text on the left margin, possibly a page number or reference.

Vertical text on the left margin, possibly a page number or reference.

Vertical text on the left margin, possibly a page number or reference.

Vertical text on the left margin, possibly a page number or reference.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. Details relate to those securities not included in the FT Share Information Service. Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Tailsman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

British Funds, etc

Treasury 13 1/4% SA 2000 (C125) (12F68)
Estimote 10 1/2% SA 2005 (C195) (12F68)
Guaranteed Export Finance Corp PLC 12 1/2% SA 2002 (Reg) (C126) (12F68)

Corporation and County Stocks

Cowroy City 8 1/4% SA 2026 (C06) (14F68)
Dudley Metropolitan Borough Council 11 SA 2019 (Reg) (C21) (14F68)
Kerangton & Chesapeake Borough 11.15% SA 2006 (Reg) (C11) (14F68)

Foreign Stocks, Bonds, etc

Algeria 10 1/2% SA 2000 (C123) (14F68)
Austria 10 1/2% SA 2000 (C123) (14F68)
Belgium 10 1/2% SA 2000 (C123) (14F68)

British Overseas Airways PLC 10 1/2% SA 2000 (C123) (14F68)
British Airways PLC 10 1/2% SA 2000 (C123) (14F68)
British Airways PLC 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

Canada 10 1/2% SA 2000 (C123) (14F68)
France 10 1/2% SA 2000 (C123) (14F68)
Germany 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

Italy 10 1/2% SA 2000 (C123) (14F68)
Japan 10 1/2% SA 2000 (C123) (14F68)
Spain 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

Switzerland 10 1/2% SA 2000 (C123) (14F68)
USA 10 1/2% SA 2000 (C123) (14F68)
UK 10 1/2% SA 2000 (C123) (14F68)

Barrat Exploration Ltd Ord 10.1 - 125 (12F68)
Barrat Exploration Ltd Ord 10.1 - 125 (12F68)
Barrat Exploration Ltd Ord 10.1 - 125 (12F68)

Foreign Stocks, Bonds, etc

USA 10 1/2% SA 2000 (C123) (14F68)
UK 10 1/2% SA 2000 (C123) (14F68)
Canada 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

France 10 1/2% SA 2000 (C123) (14F68)
Germany 10 1/2% SA 2000 (C123) (14F68)
Italy 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

Japan 10 1/2% SA 2000 (C123) (14F68)
Spain 10 1/2% SA 2000 (C123) (14F68)
Switzerland 10 1/2% SA 2000 (C123) (14F68)

Healds Estate PLC 10 1/2% SA 2000 (C123) (14F68)
Healds Estate PLC 10 1/2% SA 2000 (C123) (14F68)
Healds Estate PLC 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

USA 10 1/2% SA 2000 (C123) (14F68)
UK 10 1/2% SA 2000 (C123) (14F68)
Canada 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

France 10 1/2% SA 2000 (C123) (14F68)
Germany 10 1/2% SA 2000 (C123) (14F68)
Italy 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

Japan 10 1/2% SA 2000 (C123) (14F68)
Spain 10 1/2% SA 2000 (C123) (14F68)
Switzerland 10 1/2% SA 2000 (C123) (14F68)

NPC PLC 7 1/2% SA 2007 (Reg) (C09) (12F68)
NPC PLC 7 1/2% SA 2007 (Reg) (C09) (12F68)
NPC PLC 7 1/2% SA 2007 (Reg) (C09) (12F68)

Foreign Stocks, Bonds, etc

USA 10 1/2% SA 2000 (C123) (14F68)
UK 10 1/2% SA 2000 (C123) (14F68)
Canada 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

France 10 1/2% SA 2000 (C123) (14F68)
Germany 10 1/2% SA 2000 (C123) (14F68)
Italy 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

Japan 10 1/2% SA 2000 (C123) (14F68)
Spain 10 1/2% SA 2000 (C123) (14F68)
Switzerland 10 1/2% SA 2000 (C123) (14F68)

Sonnet PLC 8 1/2% SA 2001 (C1) (12F68)
Sonnet PLC 8 1/2% SA 2001 (C1) (12F68)
Sonnet PLC 8 1/2% SA 2001 (C1) (12F68)

Foreign Stocks, Bonds, etc

USA 10 1/2% SA 2000 (C123) (14F68)
UK 10 1/2% SA 2000 (C123) (14F68)
Canada 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

France 10 1/2% SA 2000 (C123) (14F68)
Germany 10 1/2% SA 2000 (C123) (14F68)
Italy 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

Japan 10 1/2% SA 2000 (C123) (14F68)
Spain 10 1/2% SA 2000 (C123) (14F68)
Switzerland 10 1/2% SA 2000 (C123) (14F68)

Vodafone Group PLC ADR 10.1 - 534 1/2 (12F68)
Vodafone Group PLC ADR 10.1 - 534 1/2 (12F68)
Vodafone Group PLC ADR 10.1 - 534 1/2 (12F68)

Foreign Stocks, Bonds, etc

USA 10 1/2% SA 2000 (C123) (14F68)
UK 10 1/2% SA 2000 (C123) (14F68)
Canada 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

France 10 1/2% SA 2000 (C123) (14F68)
Germany 10 1/2% SA 2000 (C123) (14F68)
Italy 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

Japan 10 1/2% SA 2000 (C123) (14F68)
Spain 10 1/2% SA 2000 (C123) (14F68)
Switzerland 10 1/2% SA 2000 (C123) (14F68)

General Investment Trust PLC 10 1/2% SA 2000 (C123) (14F68)
General Investment Trust PLC 10 1/2% SA 2000 (C123) (14F68)
General Investment Trust PLC 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

USA 10 1/2% SA 2000 (C123) (14F68)
UK 10 1/2% SA 2000 (C123) (14F68)
Canada 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

France 10 1/2% SA 2000 (C123) (14F68)
Germany 10 1/2% SA 2000 (C123) (14F68)
Italy 10 1/2% SA 2000 (C123) (14F68)

Foreign Stocks, Bonds, etc

Japan 10 1/2% SA 2000 (C123) (14F68)
Spain 10 1/2% SA 2000 (C123) (14F68)
Switzerland 10 1/2% SA 2000 (C123) (14F68)

Starting issues by Overseas Borrowers

Bank of Greece 10 1/2% SA 2000 (C123) (14F68)
Bank of Greece 10 1/2% SA 2000 (C123) (14F68)
Bank of Greece 10 1/2% SA 2000 (C123) (14F68)

Listed Companies (excluding Investment Trusts)

ABF Investments PLC 7 1/2% SA 2000 (C123) (14F68)
ABF Investments PLC 7 1/2% SA 2000 (C123) (14F68)
ABF Investments PLC 7 1/2% SA 2000 (C123) (14F68)

FT-SE ACTUARIES INDICES

The FT-SE Actuaries Share Indices are calculated by FT-SE International Limited in conjunction with the Faculty of Actuaries and the Institute of Actuaries. FT-SE International Limited 1996. All rights reserved.

Starting issues by Overseas Borrowers

Bank of Greece 10 1/2% SA 2000 (C123) (14F68)
Bank of Greece 10 1/2% SA 2000 (C123) (14F68)
Bank of Greece 10 1/2% SA 2000 (C123) (14F68)

Listed Companies (excluding Investment Trusts)

ABF Investments PLC 7 1/2% SA 2000 (C123) (14F68)
ABF Investments PLC 7 1/2% SA 2000 (C123) (14F68)
ABF Investments PLC 7 1/2% SA 2000 (C123) (14F68)

Find out why so many expatriates look to RESIDENT ABROAD for help

When moving abroad, you need to be fully informed of the opportunities - and the pitfalls - that you will face. Thankfully there is a monthly publication which can help - RESIDENT ABROAD. Published by the FT Magazines, and specifically written for expatriates, it brings you the latest news, views and practical help on living and working abroad - and KEEPS YOU IN TOUCH with what is happening back home.



MAKE YOUR MONEY WORK HARDER

There's a bewildering array of expatriate financial services out there - and they all want your hard-earned money. Our in-depth, but easy-to-read, coverage of the latest investment products, offshore banking services, tax advantages and world stock markets will help ensure that your earnings are put to maximum use.

MAKE THE MOST OF YOUR LIFESTYLE

With RA you can explore the customs and cultures of different countries and find ways for you and your family to enjoy leisure time together. Plus you keep up-to-date on worldwide property prices, motoring, boating, holidays and information on schools for the children. And there's much, much more to enjoy in every issue. Take advantage of our special subscription offer and receive RESIDENT ABROAD FREE for 2 months.

SPECIAL SUBSCRIPTION OFFER

ACT NOW to receive TWO FREE ISSUES.

Simply fill in the coupon to ensure you receive the very best reporting for expatriates - on your doorstep - every month for 14 months. All for the price of 12

Yes Please send me the next 14 issues of Resident Abroad. My first 2 issues are free.

ONE YEAR SUBSCRIPTION (INC P+P) EUROPE £53* (Inc. UK) Rest of World £61

Resident Abroad is available only to residents outside the UK other than registered financial advisers.

Please debit my: Access Visa Amex Diners

Card No: 0000 0000 0000 0000

Expiry date: 00/00/00

Signature _____ Date 00/00/00

I enclose my cheque payable to FT Magazines

Mr/Mrs/Miss/Ms _____

Company _____

Private Address _____

Country _____ Postcode _____

Nationality _____

EU VAT at the local must be added to the price of the subscription unless your VAT No is quoted. Non European Companies only EU VAT Reg No. (VAT)/VAT/MOMS/MWST/IVA

Resident Abroad Limited, Registered address: Maple House, 149 Tottenham Court Road, London W1P 9LL. Registered number 1470324.

FT-SE ACTUARIES INTERNATIONAL

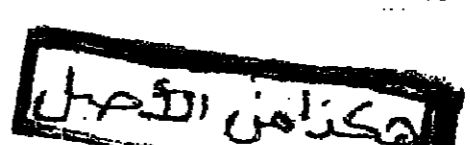
RESIDENT ABROAD SUBSCRIPTION DESK, PO BOX 401, BROMLEY, MID. B9P 1WJ. Tel: 0181 8485. Fax: 0181 8485



FINANCIAL TIMES Magazines



RESIDENT ABROAD



LONDON STOCK EXCHANGE

MARKET REPORT

Footsie retreats from earlier all-time records

By Steve Thompson, UK Stock Market Editor

A series of options expiries across Europe and the US, plus suggestions of big selling of US Treasury bonds by hedge funds over the past two sessions took the gloss off an early surge by UK equities.

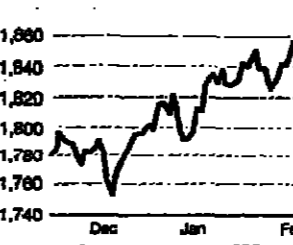
bid for BET, the support services group, from Rentokil and an increased offer for Lloyds Chemists from UniChem, helped catapult the FT-SE Mid 250 index through the 4,200 level.

Over the five-day period the FT-SE 100 index has risen 54.6, or 1.5 per cent, while the FT-SE Mid 250 has put on 48 points, or around 1.2 per cent.

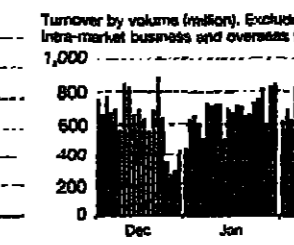
The latest burst of takeover news fuelled speculation of many more bids to come. Dealers said there was keen support across the various market sectors as investors tried to pinpoint the next bid candidates.

alerted to news that the company had cancelled a scheduled meeting with analysts on Monday. Oil stocks Lamo and Enterprise were put forward as potential targets in the wake of Mobil's bid for Ampol earlier this week.

FT-SE-A All-Share Index



Equity shares traded



Indices and ratios

Table with columns for Index Name, Value, and Change. Includes FT-SE Mid 250, FT-SE-A 350, FT-SE-A All-Share, etc.

FT-SE 100 Index

Table showing FT-SE 100 Index closing and change over week for Feb 16, Feb 15, Feb 14, Feb 13, Feb 12.

TRADING VOLUME IN MAJOR STOCKS

Table listing trading volume for major stocks like ASDA Group, Abbey National, Allied Domecq, etc.

EQUITY FUTURES AND OPTIONS TRADING

Table showing trading volume for equity futures and options, including FT-SE 100 Index Futures and Options.

FT-SE 100 INDEX OPTION (LIFFE) £25 per full index point

Table showing FT-SE 100 Index Option trading data with columns for Bid, Offer, and Volume.

FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

Table showing FT-SE 100 Index Option trading data for £10 per full index point.

FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

Table showing FT-SE 100 Index Option trading data for £10 per full index point.

FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

Table showing FT-SE 100 Index Option trading data for £10 per full index point.

FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

Table showing FT-SE 100 Index Option trading data for £10 per full index point.

FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

Table showing FT-SE 100 Index Option trading data for £10 per full index point.

FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

Table showing FT-SE 100 Index Option trading data for £10 per full index point.

FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

Table showing FT-SE 100 Index Option trading data for £10 per full index point.

FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

Table showing FT-SE 100 Index Option trading data for £10 per full index point.

FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

Table showing FT-SE 100 Index Option trading data for £10 per full index point.

FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

Table showing FT-SE 100 Index Option trading data for £10 per full index point.

FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

Table showing FT-SE 100 Index Option trading data for £10 per full index point.

FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

Table showing FT-SE 100 Index Option trading data for £10 per full index point.

FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

Table showing FT-SE 100 Index Option trading data for £10 per full index point.

FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

Table showing FT-SE 100 Index Option trading data for £10 per full index point.

FT-SE Actuaries Share Indices

Table showing FT-SE Actuaries Share Indices for various sectors like FT-SE 100, FT-SE Mid 250, etc.

The UK Series

Table showing The UK Series data for various economic indicators.

FT-SE Actuaries All-Share

Table showing FT-SE Actuaries All-Share data for various sectors.

FT-SE Actuaries All-Share

Table showing FT-SE Actuaries All-Share data for various sectors.

FT-SE Actuaries All-Share

Table showing FT-SE Actuaries All-Share data for various sectors.

FT-SE Actuaries All-Share

Table showing FT-SE Actuaries All-Share data for various sectors.

FT-SE Actuaries All-Share

Table showing FT-SE Actuaries All-Share data for various sectors.

Hourly movements

Table showing hourly movements for FT-SE 100, FT-SE Mid 250, etc.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

Hourly movements

Table showing hourly movements for FT-SE 100, FT-SE Mid 250, etc.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

Hourly movements

Table showing hourly movements for FT-SE 100, FT-SE Mid 250, etc.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

Hourly movements

Table showing hourly movements for FT-SE 100, FT-SE Mid 250, etc.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

Hourly movements

Table showing hourly movements for FT-SE 100, FT-SE Mid 250, etc.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

Hourly movements

Table showing hourly movements for FT-SE 100, FT-SE Mid 250, etc.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

FT-SE Actuaries 350 Industry baskets

Table showing FT-SE Actuaries 350 Industry baskets for various sectors.

Vickers buoyed by bid talk

Defence engineer Vickers shot to the top of the FT-SE 100 performance charts with a rise of almost 9 per cent, as a burst of takeover speculation drove the shares to an all-time high.

New high at Meyer

Takeover talk also surfaced among building-related stocks, pushing a number of shares to new highs in direct opposition to take profits advice from a wide range of brokers.

CHIEF PRICE CHANGES YESTERDAY

Table showing chief price changes for various stocks like Avon Rubber, BET, Borse Group, etc.

NEW 52 WEEK HIGHS AND LOWS

Table showing new 52 week highs and lows for various stocks like Avon Rubber, BET, Borse Group, etc.

TO SAVE THE RAINFOREST WE PROVIDE TREES TO CHOP DOWN

By helping people in the rainforest to plant trees, WWF are working to solve some of the problems that cause deforestation.

OFEX FACILITY

Table showing OFEX facility data for various companies like Adcock PLC, Advanced Media, etc.

IF YOU'RE AN ACTIVE TRADER, ACT NOW.

Advertisement for Fidelity Brokerage, featuring a large number 0800 222 190 and text about active trading services.

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Table listing companies in the Alcoholic Beverages sector with columns for company name, price, and change.

BANKS, MERCHANT

Table listing companies in the Banks, Merchant sector with columns for company name, price, and change.

BANKS, RETAIL

Table listing companies in the Banks, Retail sector with columns for company name, price, and change.

BREWERIES, PUBS & REST

Table listing companies in the Breweries, Pubs & Rest sector with columns for company name, price, and change.

BUILDING & CONSTRUCTION

Table listing companies in the Building & Construction sector with columns for company name, price, and change.

BUILDING MATS. & MERCHANTS

Table listing companies in the Building Mats. & Merchants sector with columns for company name, price, and change.

BUILDING MATS. & MERCHANTS - Cont.

Continuation of Building Mats. & Merchants table with columns for company name, price, and change.

BUILDING MATS. & MERCHANTS

Table listing companies in the Building Mats. & Merchants sector with columns for company name, price, and change.

BUILDING MATS. & MERCHANTS - Cont.

Continuation of Building Mats. & Merchants table with columns for company name, price, and change.

CHEMICALS

Table listing companies in the Chemicals sector with columns for company name, price, and change.

DISTRIBUTORS

Table listing companies in the Distributors sector with columns for company name, price, and change.

DIVERSIFIED INDUSTRIALS

Table listing companies in the Diversified Industrials sector with columns for company name, price, and change.

DIVERSIFIED INDUSTRIALS

Continuation of Diversified Industrials table with columns for company name, price, and change.

DIVERSIFIED INDUSTRIALS

Continuation of Diversified Industrials table with columns for company name, price, and change.

ELECTRONIC & ELECTRICAL EQPT - Cont.

Continuation of Electronic & Electrical Eqpt table with columns for company name, price, and change.

ENGINEERING

Table listing companies in the Engineering sector with columns for company name, price, and change.

ENGINEERING

Table listing companies in the Engineering sector with columns for company name, price, and change.

ENGINEERING, VEHICLES

Table listing companies in the Engineering, Vehicles sector with columns for company name, price, and change.

ENGINEERING, VEHICLES

Continuation of Engineering, Vehicles table with columns for company name, price, and change.

ENGINEERING, VEHICLES

Continuation of Engineering, Vehicles table with columns for company name, price, and change.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of Extractive Industries table with columns for company name, price, and change.

EXTRACTIVE INDUSTRIES

Table listing companies in the Extractive Industries sector with columns for company name, price, and change.

EXTRACTIVE INDUSTRIES

Table listing companies in the Extractive Industries sector with columns for company name, price, and change.

EXTRACTIVE INDUSTRIES

Table listing companies in the Extractive Industries sector with columns for company name, price, and change.

EXTRACTIVE INDUSTRIES

Continuation of Extractive Industries table with columns for company name, price, and change.

EXTRACTIVE INDUSTRIES

Continuation of Extractive Industries table with columns for company name, price, and change.

HOUSEHOLD GOODS - Cont.

Continuation of Household Goods table with columns for company name, price, and change.

HOUSEHOLD GOODS

Table listing companies in the Household Goods sector with columns for company name, price, and change.

HOUSEHOLD GOODS

Table listing companies in the Household Goods sector with columns for company name, price, and change.

HOUSEHOLD GOODS

Table listing companies in the Household Goods sector with columns for company name, price, and change.

HOUSEHOLD GOODS

Continuation of Household Goods table with columns for company name, price, and change.

HOUSEHOLD GOODS

Continuation of Household Goods table with columns for company name, price, and change.

INVESTMENT TRUSTS - Cont.

Continuation of Investment Trusts table with columns for company name, price, and change.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector with columns for company name, price, and change.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector with columns for company name, price, and change.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector with columns for company name, price, and change.

INVESTMENT TRUSTS

Continuation of Investment Trusts table with columns for company name, price, and change.

INVESTMENT TRUSTS

Continuation of Investment Trusts table with columns for company name, price, and change.

INVESTMENT TRUSTS - Cont.

Continuation of Investment Trusts table with columns for company name, price, and change.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector with columns for company name, price, and change.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector with columns for company name, price, and change.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector with columns for company name, price, and change.

INVESTMENT TRUSTS

Continuation of Investment Trusts table with columns for company name, price, and change.

INVESTMENT TRUSTS

Continuation of Investment Trusts table with columns for company name, price, and change.

Handwritten text in Arabic script: 'مكتبة الامم'



West keen to counter Serb complaints of bias

Bosnian 'terrorist camp' captured by Nato troops

By Harriet Martin in Sarajevo and Christian Tyler in The Hague

Nato forces in Bosnia, in a challenge to the republic's Moslem leadership, yesterday announced the capture of a "terrorist training camp" and the arrest of three men they described as Iranian military advisers.

The raid, on the eve of a summit in Rome intended to revive Bosnia's peace process, was the second time this week that western authorities have stressed their keenness to deal firmly with Moslems as well as Serbs and Croats.

The US, anxious to counter Serb complaints of bias, welcomed a pledge from the UN war crimes tribunal that some Moslems will soon be added to the list of 45 Serbs and seven Croats already indicted.

The guerrilla training school, housed in a former ski chalet in central Bosnia, was shown to reporters by Admiral Leighton Smith, commander of the 60,000-strong peace implementation force known as Ifor.

"It doesn't take a genius to figure out we found something here that is an abomination - clearly

terrorist training activities," he said, pointing out booby-trapped plastic toys and other devices designed to kill civilians.

The chalet also contained sub-machine guns, hand grenades, training manuals for subversion and models of buildings which suggested that fighters were being trained to attack civilian as well as military targets.

The heavily publicised raid appeared to be part of a western strategy of countering Serb complaints of bias by making it plain that Moslem-led government forces can also be subject to tough action by western troops in Bosnia.

Nato captured the building on grounds that it was a threat to its own security, and the presence of Iranian instructors was in violation of the Bosnian government's promise to rid the country of non-Nato forces.

Bosnian government officials said they were in the process of closing the centre.

Nato said three of the 11 men they arrested were believed to be Iranian instructors, on grounds that they were holding Iran Air tickets and documents in Farsi. Among the other detainees, six had Bosnian identity papers.

The Bosnian Serbs have withdrawn co-operation with western forces and mediators in Bosnia in protest at the deportation to The Hague of two senior Serb officers.

The leaders of Serbia, Bosnia and Croatia meet in Rome today at a US-inspired summit where they will be pressed to reaffirm their commitment to the peace agreement they concluded in Dayton, Ohio in November.

In The Hague yesterday, Judge Richard Goldstone, the UN war crimes prosecutor, insisted that if any government tried to put pressure on him, he would instantly blow the whistle.

"If any government brought political pressure on this office, I would make that public," he said. "It hasn't happened, and it won't happen."

He made it clear that nobody would be shielded from his investigation, however much they had helped the peace process.

Judge Goldstone, who has complained in the past of Nato's lack of co-operation with his work, said he was "generally satisfied that we are getting the help from governments and from Nato we are entitled to get".

Brussels probes use of loans to German shipyard

By Judy Dempsey in Berlin and Emma Tucker in Brussels

The European Commission has questioned the use by Bremer Vulkan, Germany's biggest shipbuilder, of government-backed bank loans.

Shares in Bremer Vulkan were suspended from trading yesterday shortly before the Commission's announcement. Earlier in the day, the company's management said it would make a special announcement next week, and shares fell 70 pfennigs to DM28.80.

The government of the north German city of Bremen, Bremer Vulkan's home town, yesterday called for an emergency meeting of politicians, bankers and trade unions.

The Commission said any funds originally earmarked for Bremer Vulkan's east German shipyards, but used elsewhere in the group, must be returned to the use for which they were approved.

Bremer Vulkan - which employs over 23,000 workers - bought two east German shipyards from the Treuhander privatisation agency in the early 1990s. It guaranteed to invest DM750m (\$510m) in them, an amount substantially matched by federal aid.

It recently set up a "cash pool" to fund the group's entire operations and special projects, which was due to total DM850m, including at least DM500m of loans backed by the city of Bremen, MTV and Volkswagen.

Bremer Vulkan's two east German shipyards in Mecklenburg-Vorpommern state, had been due to receive DM95m and DM64m respectively from the cash pool last December.

But the cash pool failed to allocate the DM150m to the eastern yards, prompting complaints by rival, unsubsidised Danish shipbuilders that Bremer Vulkan had been abusing government-backed credits.

The Commission has been studying audits by the German government which suggest that some of the cash pool did not go to the east German yards for which it was earmarked, but into Bremer Vulkan's accounts.

The Commission said it would investigate the case to ensure the aid was returned to the east German yards as soon as possible. "The key point that we have to check is to ensure that this money is returned to its proper destination," said an official.

A consortium of banks, led by Commerzbank, had extended a DM300m credit line to finance Bremer Vulkan's orders last September, with a further DM220m pending Commission approval, both backed by the city government of Bremen.

These credit lines were poured into the cash pool, although there has been concern in Brussels they amounted to subsidies.

THE LEX COLUMN

Rentokil springs its trap

Rentokil brings three things to BET: management, management and management. Its record gives Rentokil a head start in its £1.6bn bid for the group's business services rival. It was a point Rentokil rammed home yesterday when the group announced a 13th consecutive year of earnings growth over 20 per cent. It is difficult to pin down precisely what has made the group so much more successful than its competitors. But a culture where profit responsibility rests directly with 800 branch managers, resulting in a highly motivated workforce, is certainly part of it. If it can apply this to BET's £1.7bn turnover - twice its own - it ought to yield huge benefits. Rentokil has already identified scope to raise prices and margins, develop BET's "Initial" brand and spend more on sales and marketing. Nor has it set its face against selling operations that fit less well.

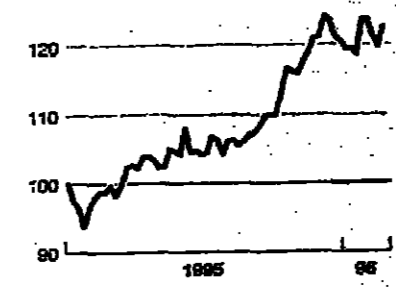
Rentokil has another ace up its sleeve. Because it is largely using its highly-rated paper, the current 190p-a-share offer should enhance earnings before cutting even £1 of cost at BET. Meanwhile, interest cover should remain comfortably over eight times.

In response, BET accuses Rentokil of conglomerate-building. But as Granada's victory over Forte showed, that need not work against a strong management. BET would do better to point to the beginnings of organic growth after years of retrenchment. Even so, it looks as if an increased offer is as much as BET can hope for. Rentokil could probably raise its bid to 210p without breaking into a sweat.

FT-SE Eurotrack 200: 1656.9 (+0.5)

Retail banks

Relative to the All-Share (FT-SE-A Index)



Source: FT Intel

on £20m of cost savings in 1997 and it should also be able to squeeze higher revenues out of the enlarged group.

The snag is that the same logic applies to Gehe, which has deeper pockets. Unfortunately for UniChem, it needs the deal more than Gehe, which could pursue other bid targets in Europe. Of course, UniChem could also look to the continent, but without cost savings to help it along the way. Without Lloyds, UniChem is solid enough, but its earnings prospects would look decidedly less rosy. If Gehe does top the offer and win the battle, the recent rise in UniChem's share price is likely to be reversed.

UK share buy-backs

Buoyant corporate cashflow and low interest rates create the ideal conditions for companies to hand spare cash back to shareholders. But is the tax system, as Reuters argues, stacked against this?

It depends. Where companies have plenty of Advance Corporation Tax capacity the tax system positively encourages special dividends and buy-backs: they are a lucrative source of tax credits for tax-exempt institutions. But where companies lack ACT capacity Reuters is right: they will pay more tax if they distribute cash than if they retain it. This is a nonsense. The tax system should not distort companies' decisions in this way.

The snag is that abolishing ACT, the source of the problem, would mean re-writing the corporation tax system from scratch. This may be desirable, but it remains a distant prospect. In the meantime, a more rough-and-ready proposal from Reuters - that companies should be allowed to buy back shares without paying ACT - would be a modest step in the right direction.

It need not cost the government money. Although the exchequer would receive less ACT, it would also have to pay out less in tax credits; on balance, it might actually benefit. Any net cost to the Treasury would probably stem from the unwinding of surplus ACT, which is an unjustifiable tax anyway.

Of course, tax-exempt institutions would inevitably squeal at being deprived of part of their luscious tax credit hotpot. But this is a price worth paying to allow many companies to distribute cash without tax interfering in the decision. It would let them set their capital structures according to business needs, not tax criteria. This is, after all, what tax policy should be about.

UniChem

In pursuing its cash and share offer for Lloyds Chemists, UniChem had to tread a narrow line. If the UK pharmaceutical wholesaler had appeared to overstretch itself, its share price would have suffered, reducing the value of its bid. But too low an offer would have left plenty of room for its German rival, Gehe, to top it.

Yesterday's increase struck a reasonable compromise, as the improvement in UniChem's share price suggests. Although its gearing would rise substantially, interest cover at the end of 1996 would still be close to eight times. Still, the fact that UniChem now says it might sell off Holland & Barrett, Lloyds' profitable but non-core health food chain, suggests the management is keen to limit the impact of the rise on its balance sheet.

Moreover, the industrial logic of the deal is compelling. UniChem reckons

Lloyds TSB

Lloyds TSB's position as the darling of the banking sector appears unassailable. Yesterday's pre-tax profits increase of just over 15 per cent, excluding restructuring costs, does not appear particularly exciting. But the prospect of the cost-cutting benefits still to come from Lloyds' merger with TSB last year makes the group more appealing than its peers. The £50m in annualised savings which Lloyds TSB projects by the end of 1999 is rightly considered conservative. But since the market has already priced in more than that, the management has no room to slip up.

Still, Lloyds' premium relative to its peers - it is trading at around 13 times prospective 1996 earnings, compared with around nine times for Barclays and NatWest - is justified. The question is rather whether the entire sec-

Fall in US output prompts talk of further rate cut

By Michael Prowse in Washington

US industrial production registered its largest decline since the 1990-91 recession last month, partly because of severe winter weather, the Federal Reserve said yesterday.

Economists said the figures were weak enough to justify another quarter-point cut in short-term interest rates at the Fed's policy meeting next month.

Mr Alan Greenspan, the Fed chairman, may hint at his intentions on Tuesday when he releases new economic forecasts and delivers his semi-annual monetary testimony to Congress.

The Fed said production dropped 0.5 per cent last month, after revised gains of 0.2 per cent in November and December. Production in the year to January was up a marginal 0.1 per cent.

Industrial capacity utilisation dropped to 81.9 per cent, its lowest level in more than two years, indicating that inflationary pressures will remain subdued.

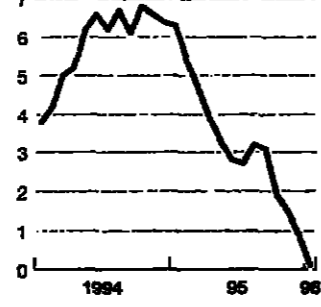
Financial markets, which had been braced for an output decline of as much as 1 per cent, reacted negatively in early trading.

By midday the Dow Jones Industrial Average, having recovered some ground, was 33.33

Greenspan may hint at plans in monetary testimony to Congress

US industrial production

Annual % change, seasonally adjusted



Source: FT Intel

down at 5,518.14. The benchmark 30-year Treasury bond was down two-thirds of a point to yield 6.212 per cent.

The data were the latest in a series of weak figures that have prompted talk of a possible recession this year.

However, the consensus view on Wall Street is that the economy will rebound in the spring. Figures for January were heavily distorted by bad weather and the impact of a partial shutdown of the federal government.

The economy was likely to be sluggish for some time, said Mr Richard Berner, chief economist

at Mellon Bank in Pittsburgh, but there was little danger of a "cascading contraction".

Given the lack of upward pressure on inflation, the Fed was likely to cut short-term interest rates by a further quarter point in March to 5 per cent, he said.

The Fed said the output of most industrial sectors dropped last month, partly as a result of severe weather.

Production of cars and motor vehicles fell 4 per cent, with some of the drop occurring in the week of the blizzard which closed down much of the east coast.

However, the output of business equipment rose 1 per cent in January, boosted by an increase in computer production and a rebound of aircraft output following the strike at Boeing last year.

In separate reports yesterday, the University of Michigan said its consumer sentiment index fell to 86.6 per cent this month from 89.3 per cent in January, signalling concern about economic prospects.

Construction spending in December was reported to be 0.9 per cent higher, reversing the decline reported for the previous month.

FT WEATHER GUIDE

Europe today

A low pressure system will bring north-westerly gales to the Dutch coast. Thunder showers will spread across the Benelux countries, northern France and Germany. Snow will fall in the northern parts of the Alps, spreading to Slovakia and Poland. Snow will also prevail over the Baltics, Belarus, Russia and southern Sweden. High pressure will bring mainly dry conditions to the British Isles, but rain will develop in Scotland and Ireland. Greece and southern Turkey will have rain.

Five-day forecast

After the weekend low pressure in the Mediterranean region will push warm air towards the Alps and the Balkans. This will bring rain to Italy and parts of the Balkans, and snow to the Alps. Cold air with occasional snow will move across Germany towards France.

TODAY'S TEMPERATURES

Albu Dhabi	cloudy	25	Bahia	cloudy	32	Berlin	rain	3	Chicago	cloudy	1	Cologne	showers	6	Dallas	fair	24	Dallas	sun	18	Delhi	sun	25	Dubai	cloudy	4	Dubai	cloudy	5	Dublin	sun	2	Dublin	cloudy	19	Dubrovnik	fair	12	Edinburgh	fair	7	Faro	sun	29	Frankfurt	showers	8	Geneva	sun	18	Gibraltar	fair	1	Glasgow	showers	6	Hamburg	rain	24	Helsinki	cloudy	-11	London	sun	11	Miami	sun	22	Milan	sun	25	Moscow	sun	9	Moscow	cloudy	31	Munich	showers	8	Nairobi	sun	28	Nagasaki	sun	24	Nassau	sun	21	New York	sun	16	Nice	cloudy	17	Norwich	cloudy	1	Osaka	cloudy	1	Paris	cloudy	9	Perth	sun	37	Prague	showers	4	Rangoon	sun	33	Reykjavik	rain	3	Rio	fair	31	Rome	fair	14	S. Francisco	cloudy	18	Seoul	fair	4	Singapore	showers	32	Stockholm	showers	-6	Strasbourg	showers	8	Sydney	showers	22	Taipei	sun	16	Tel Aviv	showers	18	Tokyo	rain	9	Toronto	rain	0	Vancouver	rain	10	Venice	cloudy	4	Warsaw	showers	5	Washington	cloudy	1	Wellington	fair	20	Winnipeg	sun	-15	Zurich	showers	4	Cairo	sun	16	Cape Town	sun	28	Caracas	fair	29	Cardiff	fair	8	Conakry	sun	18	Geneva	sun	18	Hong Kong	sun	25	Honolulu	sun	25	Islamabad	sun	24	Jakarta	cloudy	31	Kuwait	sun	28	Las Vegas	sun	21	Las Palmas	showers	21	Lima	cloudy	25	Lisbon	sun	14	London	fair	10	Luxembourg	showers	3	Lyon	showers	8	Madrid	sun	16	Madrid	sun	13	Majorca	fair	14	Melbourne	fair	15	Manchester	fair	8	Marrakech	fair	31	Medan	sun	21	Mexico City	sun	11	Miami	sun	22	Milan	sun	25	Moscow	sun	9	Moscow	cloudy	31	Munich	showers	8	Nairobi	sun	28	Nagasaki	sun	24	Nassau	sun	21	New York	sun	16	Nice	cloudy	17	Norwich	cloudy	1	Osaka	cloudy	1	Paris	cloudy	9	Perth	sun	37	Prague	showers	4	Rangoon	sun	33	Reykjavik	rain	3	Rio	fair	31	Rome	fair	14	S. Francisco	cloudy	18	Seoul	fair	4	Singapore	showers	32	Stockholm	showers	-6	Strasbourg	showers	8	Sydney	showers	22	Taipei	sun	16	Tel Aviv	showers	18	Tokyo	rain	9	Toronto	rain	0	Vancouver	rain	10	Venice	cloudy	4	Warsaw	showers	5	Washington	cloudy	1	Wellington	fair	20	Winnipeg	sun	-15	Zurich	showers	4
------------	--------	----	-------	--------	----	--------	------	---	---------	--------	---	---------	---------	---	--------	------	----	--------	-----	----	-------	-----	----	-------	--------	---	-------	--------	---	--------	-----	---	--------	--------	----	-----------	------	----	-----------	------	---	------	-----	----	-----------	---------	---	--------	-----	----	-----------	------	---	---------	---------	---	---------	------	----	----------	--------	-----	--------	-----	----	-------	-----	----	-------	-----	----	--------	-----	---	--------	--------	----	--------	---------	---	---------	-----	----	----------	-----	----	--------	-----	----	----------	-----	----	------	--------	----	---------	--------	---	-------	--------	---	-------	--------	---	-------	-----	----	--------	---------	---	---------	-----	----	-----------	------	---	-----	------	----	------	------	----	--------------	--------	----	-------	------	---	-----------	---------	----	-----------	---------	----	------------	---------	---	--------	---------	----	--------	-----	----	----------	---------	----	-------	------	---	---------	------	---	-----------	------	----	--------	--------	---	--------	---------	---	------------	--------	---	------------	------	----	----------	-----	-----	--------	---------	---	-------	-----	----	-----------	-----	----	---------	------	----	---------	------	---	---------	-----	----	--------	-----	----	-----------	-----	----	----------	-----	----	-----------	-----	----	---------	--------	----	--------	-----	----	-----------	-----	----	------------	---------	----	------	--------	----	--------	-----	----	--------	------	----	------------	---------	---	------	---------	---	--------	-----	----	--------	-----	----	---------	------	----	-----------	------	----	------------	------	---	-----------	------	----	-------	-----	----	-------------	-----	----	-------	-----	----	-------	-----	----	--------	-----	---	--------	--------	----	--------	---------	---	---------	-----	----	----------	-----	----	--------	-----	----	----------	-----	----	------	--------	----	---------	--------	---	-------	--------	---	-------	--------	---	-------	-----	----	--------	---------	---	---------	-----	----	-----------	------	---	-----	------	----	------	------	----	--------------	--------	----	-------	------	---	-----------	---------	----	-----------	---------	----	------------	---------	---	--------	---------	----	--------	-----	----	----------	---------	----	-------	------	---	---------	------	---	-----------	------	----	--------	--------	---	--------	---------	---	------------	--------	---	------------	------	----	----------	-----	-----	--------	---------	---

Constant improvement of our service. That's our commitment.

Lufthansa

For a taste of how the most substantial private investors are treated, put \$10,000 in The Mercury International Portfolio

The most substantial investors choose only the most highly-regarded management houses.

They require experts in the world's equity and fixed interest markets to develop a truly global investment strategy for them. And to monitor conditions and prospects continually, re-allocating funds as necessary.

They demand an exceptional level of service. With detailed quarterly valuations and reports, regular reviews of the investment outlook, and ready access to the services of an investment adviser.

But here's the surprise.

The Mercury International Portfolio offers the offshore investor all of these benefits, within the convenient and tax-efficient structure of an Isle of Man unit trust. And all you need invest is £10,000.

So find out more about The Mercury International Portfolio. Contact your financial adviser or call us on Douglas (01624) 662255 or clip the coupon.

Douglas (01624) 662255

To: Mercury Fund Managers Isle of Man Ltd, 12-13 Hill Street, Douglas, IM1 1EF, Isle of Man. Please send me information on The Mercury International Portfolio. FTP 07/96

Surname _____
 First name _____ Title _____
 Address _____
 Postcode _____

MERCURY ASSET MANAGEMENT
 BRITAIN'S LEADING INVESTMENT HOUSE

The price of units and the income from them may go down as well as up and are not guaranteed. The fund is managed by Mercury Fund Managers Isle of Man Ltd, which is licensed by the Isle of Man Financial Supervision Commission to conduct investment business and which is a part of the Mercury Asset Management Group. It is authorised for issue in the UK by Mercury Investment Services Ltd (regulated by the Financial Services Authority). We will not disclose any of your details outside Mercury, its associated companies and agents. We may write to you about other Group products if you would prefer not to receive such details, please write to us.

Handwritten signature or stamp in Arabic script.

Weekend FT

Argentina's rebel who lost his causes

Eduardo Crawley and Colin Harding examine the career of Enrique Gorriarán Merlo

A decade awaiting the signature of president Carlos Menem of Argentina is expected soon to pardon all the country's convicted terrorists - except one. That man is Enrique Gorriarán Merlo, who was tracked down last October after an extraordinary career of violence and intrigue spanning 20 years and two continents.

To his bands of armed supporters, Gorriarán was a freedom fighter trying to keep alive the revolutionary dreams of his compatriot Ernesto Che Guevara. Now, he seems a relic from the past. He was almost the last to keep up the armed struggle, long after less committed revolutionaries had been defeated, killed or given up.

Like Guevara, Gorriarán came from a conventional middle-class background in the Argentine city of Rosario, but political convictions gave both men an international vision. Whereas Guevara fought in Cuba and the Congo, finally dying in the Bolivian jungle in 1967, Gorriarán's most notorious exploit was in Paraguay in 1980 when he murdered a former Nicaraguan dictator.

He had taken part in the overthrow of General Anastasio Somoza by the Sandinista revolutionaries in 1979, and was rewarded with a senior position in the new left-wing Nicaraguan security police, in charge of operations outside the country. One of his first missions was to track down Somoza to his bolt-hole in Asunción, the capital of Paraguay, which was firmly under the thumb of another long-serving dictator, General Alfredo Stroessner.

This was no easy task; Gorriarán was on the most-wanted lists of the right-wing military régimes that, in 1980, controlled all the surrounding countries: Argentina, Brazil and Bolivia. But Gorriarán and his team managed to slip into Paraguay, set up a safe house

in Asunción and started stalking their prey. On September 17 1980 they struck. One of Gorriarán's men fired a rocket-propelled grenade at Somoza's car as he drove along a quiet suburban street. Gorriarán finished him off with his automatic rifle.

This was to be the high point of Gorriarán's career as an international revolutionary. Back in Managua, his Sandinista employers were so delighted that they granted Gorriarán the coveted title of "Comandante", a rare distinction for a foreigner.

He had insisted until then on being called by his nickname,

Gorriarán's first success as a secret policeman was to eliminate Pablo Salazar

"Pelado" (Baldy). But now even old friends were instructed to call him "Comandante Ricardo" (his non-descript name). He lived in a luxurious mansion in Managua and took to driving around town in a Mercedes Benz.

Gorriarán had come a long way since helping to found the People's Revolutionary Army (known by its Spanish acronym, ERP) in Argentina in 1968, at a time when small guerrilla organisations were springing up all over Latin America after the Cuban Revolution. He had been imprisoned, had taken part in a mass jail-break, involving the hijacking of two airliners, and made his way to Cuba via Chile.

Soon after returning to Argentina, in January 1974, Gorriarán led an ERP assault on one of the Argentine army's most powerful units, the armoured regiment at Azul, south of Buenos Aires. After a long battle the guerrillas were

forced to withdraw, not before killing the base commander and his wife.

The ERP leadership deemed the operation a failure, however, and demoted Gorriarán, sending him off to do a stint of grassroots organisation in a factory.

At the time Argentina was ruled by General Perón, who had returned from years in exile on a wave of popular acclaim. Perón had, however, become increasingly conservative in the intervening period, and Gorriarán and his fellow left-wingers soon lost patience.

The Azul attack was designed to force the general to take sides as Argentine politics became polarised.

It succeeded. Perón had the excuse he needed to step up what later became known as the "dirty war" against his left-wing tormentors. The ERP, in response, launched a guerrilla campaign in Tucumán, in the poverty-stricken north-west of Argentina. It assumed the local people would rise up in support.

Instead, the army perfected its counter-insurgency techniques: unacknowledged arrests, clandestine detention centres, systematic torture and secret executions. Tucumán was a miscalculation by the ERP. The army soon began to get the upper hand, and in this desperate atmosphere Gorriarán earned himself another demotion. He ordered the "execution" of a fellow ERP member whom he suspected of being an army informer.

The collapse of the ERP, when it came, was swift. In July 1978 most of the leadership was cornered by military intelligence agents in a Buenos Aires apartment and most of them died in the ensuing gun battle. Only one got away: Gorriarán, who fled into exile.

Far from admitting defeat, Gorriarán saw his enforced absence from Argentina as another opportunity to advance the world revolutionary cause. He began to shuttle

between Fidel Castro's Cuba, the few other Latin American countries not run by military dictators (Mexico, Venezuela, Colombia) and Italy.

There he hatched a characteristically ambitious scheme: to rebuild the ERP's fighting capacity and return to Argentina to resume his pursuit of the Guevarist dream.

Gorriarán organised a string of robberies and kidnappings in Italy and France during 1977, to raise funds for a "military school" in Italy, run by a Tucumán veteran known as "Santiago" (his real name was Hugo Irurzún).

But the ERP's political apparatus, the Workers' Revolution-

ary Party (PRT), disapproved of such a "militaristic" approach; it disbanded the school and took charge of ERP's finances.

Undeterred, Gorriarán led a breakaway from the PRT and moved his European base to Spain. Things went well there for a while, until a number of successful small hold-ups bred over-confidence. The previously tolerant Spanish authorities were finally obliged to clamp down on Gorriarán and his friends after they attempted a big bank raid.

Gorriarán was brooding in Paris after this latest setback when the call came from Nicaragua. The Sandinista revolu-

tionaries, led by Daniel Ortega, were preparing for a final push against the dictator Somoza in the early months of 1979, and they needed some hardened fighters to bolster their forces. Gorriarán was on his way again.

He saw action on Nicaragua's southern front, where the fighting was fiercest, and was assigned to the interior ministry after Somoza fled in July 1979 and Ortega's Sandin-

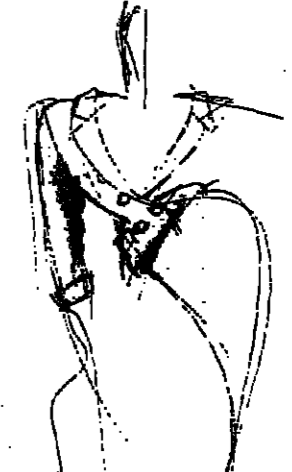
istas took power. Gorriarán's first success as a secret policeman, which convinced his bosses that he could be entrusted with the Somoza assassination, was to eliminate the dictator's most effective military commander, Major Pablo Emilio Salazar.

Salazar had fled into exile in Honduras with his wife, leaving his mistress, Barbara, to

Continued on page II



CONTENTS



Fashion: The new face of haute couture for the Nineties V

Sports: Wasim Akram, cricket's smash and grab artist XVI

Perspectives: Farming in Rothamsted, keeper of the agricultural conscience III

Food and Drink: Jancis Robinson on Tuscany's battle for chianti XI



Travels: On the trail of China's Terracotta Warriors IX

Skills: A life-long skier succumbs to the lure of snowboarding X

Books: Mankind and the seeds of destruction XIII

Arts	XIV, XV
Arts Guide	XVII
Books	XII, XIII
Bridge, Chess, Crossword	XVIII
Fashion	V
Food & Drink	XI
Gardening	VI
How To Spend It	IV
Motoring	X
Perspectives	III, IIII
Property	VI, VII
Small Businesses	II
Sport	XVI
Travel	VIII, IX
Weekend Investor	XIX, XX

Joe Rogaly

Too busy for bombs

Getting down to business might offer Ulster a hope of lasting peace



Business helped ease the transition to democracy in South Africa and Chile. Corporations such as Coca-Cola supported the advancement of black Americans in Atlanta, Georgia. How about Ulster? The correct answer is that nobody knows.

The existence of a problem does not constitute evidence that there is a solution. The use of violence has not resolved the conflict. Political strategies have not produced a permanent ceasefire. Could companies, and their managers, do better?

Perhaps. You would not catch the saying "what is good for business is good for the north of Ireland" but put it the other way round and you have my nod. What is good for the troubled provinces - the promotion of peace - would be excellent for the economy and every company working within it. That is why businesses have an incentive, based on self-interest, to do what they can to take the venom out of north-west Europe's murderous dispute.

vota. Sinn Féin, elected by a tiny fraction of the voters in the six provinces and an even smaller one in the Republic of Ireland, has only to renounce violence to be recognised as a democratic party.

There may, however, be a lesson in the way large South African companies behaved during the years leading up to ANC rule. About a dozen of them have sponsored research into the role of business in transitions to democracy in seven countries, plus Atlanta, where the change was in the racial balance of power. The work was done by Peter L. Berger, a distinguished conservative professor of sociology at the University of Boston, and Ann Bernstein, of South Africa's Centre for Development and Enterprise.

There is nothing namby-pamby or soft-headed about their approach. Professor Berger says he is irritated by the phrase "social responsibility" applied to business. "It is futile to expect institutions to do something they are not set up to do." What happened in South Africa, as Ms Bernstein explained, was that business, conscious of its role in society, became a key player during the years between negotiations and the election of Nelson Mandela.

Among other things, companies supported the voter registration drive and helped edu-

cate the electorate. It would add that it was a group of enlightened South African businessmen that acted as go-between in the first exploratory contacts between the ANC and the then Afrikaner nationalist government. Anglo-American has often indicated that what was good for its home country was good for its shareholders. South Africa - and Anglo - are reap-

Accelerated development of the private sector is the way forward

ing the rewards today, in rapid economic growth.

In Georgia in the early 1990s several large companies run by southern, white, executives put money into "Central Atlanta Progress". This body developed a plan to make the city home to an international convention centre. Jobs were created and black entrepreneurs encouraged. Companies began to move to Atlanta, which named itself "the city too busy to hate". Not all is sweetness and light. "Affirmative action" is being preferred to black applicants for jobs, is

a part of this story. Ms Bernstein disapproves of quotas. I listened to her account at a seminar organised by the Institute of Economic Affairs Health and Welfare Unit on Wednesday. A participant reminded us of Chile, where business encouraged the country's Socialists and Christian Democrats to undertake not to interfere in the free market. The same corporate persuaders flagged the creation of two pro-capitalist parties. The then military dictator, General Pinochet, had no excuse not to step down after promising to do so if he lost an election.

We were also entertained by a tongue-in-cheek discussion of whether business always welcomes democracy. In Hong Kong, we were told by professor Berger, no executive interviewed during a week-long visit was in favour. The argument ran thus: every country that has a welfare state goes into economic decline. To stop the welfare state, you must stop democracy.

This could hardly apply to Northern Ireland, which is a quintessential welfare state. That may not be in the long-term interest of business, but it is too late to stop democracy. Accelerated development of the private sector is the way forward. This is widely recognised. The inward investment programme, backed by government grants

and other incentives, is having some success.

The IRA bomb that broke the peace eight days ago should be irrelevant to this. With luck, it is. Earlier this week J. Sainsbury, the UK stores group, said that its plans to develop seven new shops for the province, at a cost of £100m would not be altered. The various American-backed schemes to bring business to Northern Ireland have not been abandoned.

These are outsiders coming in. As to local strategies, Ulster companies are contributing to "Northern Ireland Growth Challenge", which has a staff of around 20, mainly on secondment from companies. Echoing Atlanta, the NIGC aspires to make its province the "fastest growing region in Western Europe". It was invented by the Confederation of British Industry in 1983, but took until early this year to get properly set up.

It has identified seven industrial "clusters", at least three of which stretch across the whole island. These are food processing, tourism, and software. The NIGC fosters networking, communication, exchanges of ideas. In other contexts it might be written off as airy-fairy. In Northern Ireland it could be of some use. Everything else has failed; only escalating economic growth remains.

FREE GOLF

FOR LIFE!

LOOK WHAT AWAITS YOU AT A WATERMARK SECOND HOME.

Unique setting - 3 bedroomed, 2 bathroomed golfing lodge situated on its own private uncrowded 18-hole course amid 800 acres of parkland.

Unique offer: price includes free golf for life for four, plus family membership to the Club House and Health Club. Endless facilities: private fly fishing tennis, horse-riding, indoor pool, gymnasium sauna and Jacuzzi. Secure investment: 999 year lease, round-the-clock security. **For less than £125,000**

TELEPHONE OUR KNIGHTSBRIDGE OFFICE FOR AN APPOINTMENT
0171 225 2410 WATERMARK
 INTERNATIONAL CALLERS TELEPHONE UK +44 171 225 2410

PERSPECTIVES

Science / Andrew Derrington

One man's poison is another's cure

How a dose of botulism can treat conditions as diverse as writer's cramp and cerebral palsy

Chris Ward, professor of rehabilitation medicine at Nottingham, deals with a lot of difficult cases. For some of them the best he can offer is an injection of botulinum toxin, the most poisonous substance known. Surprisingly, this makes them much better. It seems that there is nothing quite like it for relaxing muscles.

The legendary microbial poison, the villain of food poisoning outbreaks and a potential chemical warfare agent, is another example of a lethal poacher turned medical gamekeeper.

It is rapidly gaining acceptance as a treatment for conditions ranging from cerebral palsy to writer's cramp.

Toxin for therapeutic use, marketed by Speywood Pharmaceuticals under the name Dysport, is produced in the UK at the Centre for Applied Microbiology Research, a government laboratory at Porton Down (not to be confused with the chemical and biological defence establishment at the same site).

Botulism is usually caused by toxin produced by the microbe *Clostridium botulinum* growing in food. The microbe is anaerobic - it only grows when oxygen is excluded - and so it is a hazard in preserved or tinned foods if there has been a lapse in hygiene during preparation.

It occurs occasionally as an infection in deep wounds and extremely rarely as an intestinal micro-organism in infants.

Peter Hambleton, director of production at CAMR, says that botulism is more common in North America than in the UK.

"They do more home preserving of meat and vegetables than we do... but it's a common problem

with fermented meat products too. Outbreaks in Europe have been linked to blood sausage (botulus is Latin for sausage).

"In North America Inuits (Eskimos) sometimes get it from eating fermented blubber."

Botulinum toxin affects the nerve terminals, known as motor endplates, in muscles. It blocks release of the chemical messenger acetyl choline, which commands the muscles to contract.

The result is weakness and paralysis. Death occurs when the muscles that control breathing become paralysed. The toxin's effect on the motor endplate is irreversible but after a few weeks - if the patient lives that long - the

nerve will sprout a new endplate and re-establish control.

The extremely high specificity of botulinum toxin - it goes straight for the motor endplate - means that it is possible to weaken individual muscles by injecting them directly. This makes it a useful treatment for a range of conditions known as dystonias where muscles contract or twitch inappropriately.

"It's good stuff," says Andrew Lees, a consultant neurologist at the National Hospital for Neurology and Neurosurgery in London.

"Here was a group of thousands of desperate people for whom you couldn't do a thing." Now the affected muscles can be injected and the twitch stops.

In the past dystonias were often treated (unsuccessfully) as psychiatric disorders, but now it is known that they are caused by problems in the parts of the brain controlling the muscles.

"Botulinum toxin is a palliative treatment: it's not really getting at the cause," says Lees, but it makes life bearable for thousands of sufferers.

Although at present it is only licensed for use on spasms of the face and neck and for correcting squint, botulinum toxin has been used experimentally to treat children with cerebral palsy.

Rigidity, caused by problems in the brain areas that control the muscles, restricts movement which

may cause deformity that has to be corrected by surgery. Relaxing the muscles with toxin produces a vast improvement in the quality of life of these children, and may avoid the need for surgery.

"It's catching on around the world," says Ward, who with colleagues in Derby, Leicester and Sheffield is seeking funding to investigate the best dosing regimes for treating children with cerebral palsy.

The way doses are measured carries a reminder of the danger of the toxin. The unit of measurement is the "mouse unit" which is the amount that, if it were given to each of 100 mice, would kill 50 of them.

It is an unbelievably tiny quantity. A vial of 500 mouse units of Dysport contains about 2 nanograms (billionths of a gram) of the toxin. A vial costs about £170 which, at \$85 trillion a kilogram, must make the toxin one of the world's most expensive substances.

Confusingly, the mouse unit is not a uniform standard. According to Ward the two leading brands available in the UK have different strengths. Botox, produced by the US company Allergan, is about five times as strong as Dysport, mouse unit for mouse unit.

Hambleton says that manufacturers have different regimes for testing the strength of their toxins and this may change the apparent efficacy. Because of this confusion, I advise readers not to take any botulinum toxin without first checking the manufacturer's name. Remember: one man's poison packs more punch than the other's. The author is professor of psychology at the University of Nottingham.

Minding Your Own Business

Climber's long haul to success

Clive Fewins meets a man who does odd jobs at the end of a rope

There was no beating in Norman Stanier's terraced house in Hay-on-Wye, Powys, when he moved in after buying it in the winter of 1976, so he asked the building society for an additional loan to fund the installation.

A condition of the loan was that he repaint the house. He did the job himself, using his climbing skills and a rope harness to work on the chimney.

"I suppose it went through my mind at that time that I could earn a living from doing odd jobs on the end of a rope but it was not until my 40th birthday party nine years later that, together with a few friends, I thought seriously about forming a company specialising in roped access to large industrial and other buildings," said Stanier.

A physical education graduate and former Outward Bound instructor, Stanier had lived in Hay when he was deputy warden of an outdoor pursuits centre. By the time he was 40 he was running a large urban outdoor activity centre in Birmingham.

Together with his wife, Ann, and some former Outward Bound colleagues, he came up with the name Walkwalkers.

The next stage was to sell his services to the authorities at Coventry Cathedral. "They were anxious to have the Sutherland Tapestry and the engraved plate glass Great West Screen cleaned and were keen to avoid scaffolding. The tapestry had narrowly avoided severe damage when a scaffold tower belonging to previous contractors inside the cathedral crashed beside it," Stanier said.

He added: "The Dean and Chapter looked on while a colleague and I demonstrated our skills 80ft above them. We got the job. It took four people 15 days and we were paid \$8,000. Walkwalkers was in business."

The enterprise was dormant while the Staniers gave the idea more thought and concentrated on bringing up two boys. Norman continued with his job in Birmingham, and Neil Bryant, his co-founder who had given the fledgling

company a £1,200 interest-free loan to buy equipment - and later added £10,000 - left to live in Australia.

In July 1989 the Staniers turned Walkwalkers into a limited company. This led to work for several local authorities. In addition, they gained further work at Coventry Cathedral and, as a spin-off, cleaning work on the outside of a large office block in Coventry.

By that time Stanier was starting to believe they had the beginnings of a successful business. However, he enjoyed his work in Birmingham and was finding it hard combining the two jobs.

"The Coventry office block was the turning point," he said. "For £15,000 we did a job for which the cost of the scaffolding alone would have been \$80,000."

Word spread in the South Midlands - the Staniers were living near Coventry at the time - and the next big job was at Warwick Castle.

"We were lucky," Stanier said. "I was having great difficulty convincing the architect that our techniques worked when I had an SOS one evening to say that a large piece of stone had fallen off a tower where the queens for the dungeons lines up in the daytime."

"Between first light and the castle opening time at 10am we dangled the castle architect, chief stone mason, and engineer over the ramparts to assess the damage and take photos. We worked from dawn to 10 every morning and every evening after the castle closed. For 10 days' work we were paid \$2,500."

Eventually, in December 1993, Stanier left his job in Birmingham to become self-employed and undertook a consultancy monitoring countryside watersports for the Sports Council.

"I was able to work flexible hours and develop Walkwalkers to the point where I thought it would support the family. This was a very valuable transitional six months while I got used to having no regular salary," said Stanier.

In 1992 the Staniers left the Midlands for Norman's native



Hanging around earning a living: Walkwalkers at work

Herefordshire to live in a house on his father's fruit farm, assist with the farm in what spare time they had, and establish an office in his parents' large house.

"We knew we could run the business from anywhere, as our pool of labour - all climbers and self-employed - lived all over the country," Stanier said.

Profits have grown from \$4,350 on a turnover of \$19,800 in 1992-93 to \$47,500 on a turnover of \$118,000 in the financial year that ended last July.

"Our figures look very good but the intervening year, 1993-94, saw a dip - a profit of a mere £2,700 on a turnover of \$50,500," said Ann Stanier, 42. "We can't quite work out the

reason for this, as we had a busy year and did not pay ourselves a great deal. However, we had to buy a lot of cleaning equipment that year and also repaid the £11,200 loan.

"The other side of the coin was that the following year as a number of big jobs that we had been chasing for up to four years came our way, so the figures for that year were very good."

Stanier said: "The seven months since last July have been busy, but we do not know what the rest of 1996 holds. We hope to undertake work for English Heritage at Rievaulx Abbey in north Yorkshire, more work for Warwick Castle and more work at GCHQ in Cheltenham. In 1991 we

cleaned the top secret M-block there."

Stanier leaves most of the labour to his 10-strong team, which includes Lucy Creamer, one of the UK's top women climbers. He also designs and writes building safety packages and emergency evacuation systems, and produces safety training videos.

"It has all worked well and the future is looking good," said Stanier. "But we are not lulled into a false sense of security by our large profits last year. There are lots of hidden imperfections in this business and quoting is always tricky. After all, we only get the jobs because they are considered difficult."

"We have no outstanding

liabilities and feel fairly financially secure, but we still have to dip into our \$50,000 working overdraft - usually to buy materials."

"If I have any advice for aspiring small businessmen it is over the whole difficult area of running a company in conjunction with friends."

"We started by doing this and found it did not work out. You need exceptional diplomacy and communication skills to achieve this successfully."

"We failed. We managed to part amicably - but we had to work it at."

Walkwalkers Ltd, The Dragon House, Puteley, Herefordshire HR8 2RG. Tel: 01531-670966.

Dispatches / Kieran Cooke

Irish Year of the Rat

Without Doris, Chinese New Year will not be the same. My mother-in-law is at home in Singapore. We are in the wilds of Ireland, the nearest sizzling wok hundreds of miles away.

"You mean you cannot buy preserved jellyfish?" asks Doris down a crackly phone line.

"Not even fresh noodles?"

When we said we were returning from the Far East to a cooler climate our sanity was questioned. To Chinese of the old school like Doris, civilisation is defined by the availability of oriental foodstuffs.

The nearer you are to a shop selling dried mushrooms and fresh bamboo shoots, the more advanced the place. On this not unreasonable measuring chart, Ireland does not score well.

The family goes into the Year of the Rat with coughs and colds. This is not auspicious. No greater authority on bodily malfunctions than Doris.

"Are there black chickens there?" comes the Singapore inquiry. "Not only the feathers must be black. The skin has to be black as well. You steam it up and drink the juice. Very good for fevers."

I am not in the mood for chasing hens round the highways and byways of Ireland, checking them for colour. Molesting chickens could be a serious offence in these parts.

"Boil an egg very hard," says Doris. "Then rub it all over. That will stop the flu."

"Do I eat the egg afterwards?" I ask. Certainly not, says Doris. The egg teases the badness out of the skin. Swallowing it would be asking for trouble. Severe stomach trouble could follow.

Doris is an expert on the digestive system. Once, having a jittery tummy after a surfeit of chillies, she pressed a medicine box into my hand. Inside were pills filled with what looked like ball bearings.

I shook a couple of the pills into my hand. "No, no," said Doris. "Just gulp the whole phial down."

The accompanying leaflet explained the bearings would cure everything from itchiness of the scalp to sweatiness of the feet. Along the way stomach disorders would be sorted out as well.

Not only did the pills produce a cure. In no time at all I was hooked on them, throwing down a couple of phials at the slightest sign of engine room trouble.

My commiseration was at a breakfast in Hong Kong with a group of bankers. Feeling a little queasy in the stomach I quickly gulped a phial full. Turning back to face the

massed legions of money men I was horrified to feel a sneeze coming on.

The ball bearings, about a hundred of them, flew out like bullets from a machine-gun. The man from Standard Chartered ducked. The Bank of America got a fusillade in the chest.

The Bank of China watched bemused as one ball bounced, roulette wheel fashion, round his plate, finally landing with a plop in the yellow of his egg. "Ah," said the knowledgeable manager from the mainland. "You must have diarrhoea."

I have never gone near the pills, or been invited to a bank managers' breakfast, since.

The other ailment Doris waxes lyrical about is a peculiar affliction called heatiness. This, according to Chinese culinary traditionalists, is caused by eating the wrong combinations of foods or downing too much strong alcohol, thus pro-

Doris describes preparations for the new year dinner in Singapore in minute detail

voke a fire inside. "I feel heaty," Doris will say if she has mixed fish and meat. Or fruit and vegetables. Or sniffs a piece of cheese. The mere sight of me downing a glass of stout provokes an attack of heatiness in her that sounds the alarm at the fire station.

The cure is that ever present Chinese restorative, a cup of tea. Not any kind of tea. Doris travels with an assortment of teas that would do Fortnum's proud. Highland teas, lowland teas, green, red and orange teas. Heatiness is quenched by a rough Malaysian variety that smells and tastes like mature compost.

"I've sent a food parcel with all the medicines in," says Doris. Heaven help us. The last time such a consignment passed through Irish customs two sniffer dogs asked for early retirement.

Doris describes preparations for the new year dinner in Singapore in minute detail. It is torture. The rain is leaping outside. A cow walks nonchalantly across the lawn. But I can smell the sesame oil oyster sauce. I can hear the prawns frying in the wok.

"Doris, there are more things to life than food." The line goes quiet. "I always said you had wind in the head," says Doris. "Happy new year."

Continued from page 1

fall into the hands of the victorious revolutionaries in Managua. Thirsting for revenge, she needed little persuasion to act as bait, and was sent off to Tegucigalpa, the Honduran capital, to make contact with her former lover. Barbara lured Salazar to a house where Gorriarán and his men were waiting. After being tortured, he was finished off with a bullet in the back of the head.

Gorriarán spent the next few years fighting the Nicaraguan government's enemies inside and outside the country. The US-financed right-wing Nicaraguan terrorists who came to be known as the Contras, and the right-wing régimes in neigh-

bouring El Salvador and Guatemala. There he came up against his old opponents in the Argentine military, who were passing on "dirty war" expertise to their Central American colleagues.

It was an ironic role-reversal: while the Argentine officers were using what they had learnt from the ERP to train anti-Sandinista terrorists and guerrillas, Gorriarán and other ERP veterans became experts in counter-insurgency.

Throughout this period Gorriarán never lost hope of returning to his first battlefield, Argentina. By the mid-1980s military régimes had given way there to an elected government under President Raúl Alfonsín. But there was no reconciliation with Gorriarán, who was still

wanted in Argentina on charges of murder, conspiracy, incitement to commit crimes and attempting to overthrow the established order.

Most of the old Argentine revolutionaries had given up the struggle by this time, settling for Alfonsín's middle-class reformism as an improvement on military terror. But not Gorriarán, who remained an inflexible ideologue, wedded to the ideals of armed struggle.

By late 1984 he had slipped back into Argentina and set about rallying the despirited remnants of the radical left. A handful of ERP returnees became involved in the Movimiento Todos por la Patria (everyone for the fatherland movement or MTP). Optimistic as ever, Gorriarán saw this as the embryo of another guer-

rilla army, and began a wide-wide recruiting drive.

His main targets were former comrades in what was known as the Revolutionary Co-ordinating Board (JCR), a sort of conspirators' clearing-house created in 1974 under Cuban auspices.

Gorriarán's ERP had been among the founder-members of the JCR, along with like-minded organisations in Uruguay, Chile and Bolivia. Gorriarán cast his net wider, seeking out the scattered former followers of Carlos Marighella (Brazil's theorist of urban guerrilla warfare), and even a few Canadians.

As in Europe in earlier days, this improbable group's first task was fund-raising. According to South American intelligence sources, it took to inter-

national kidnapping in the mid-1980s, carefully selecting victims in Brazil, Mexico, Ecuador and Venezuela. A meticulous database was kept, courtesy of the Sandinistas, in a safe house outside Managua.

This also doubled as an arms dump for El Salvador's Farabundo Martí National Liberation Front (FMLN) and a base for exiled members of the Spanish Basque terrorist organisation ETA.

The kidnappings are thought to have raised up to \$10m (£5.50m). But the biggest operation of all was thwarted in 1986, when Brazilian police rounded up a gang consisting of Argentines, Chileans, Canadians and a Brazilian, who were attempting to collect a \$65m ransom.

From 1988, Argentine mili-

tary intelligence had a 15-man team permanently assigned to tracking down Gorriarán. By that time cracks were beginning to appear in his legendary obsession with secrecy, and the vanity apparent from his enjoyment of "Comandante" status in Nicaragua a decade earlier began to make him more vulnerable.

Gorriarán began to grant interviews in which he gloried in his past triumphs, disclosed his plans to bring together the lost sheep of the revolutionary diaspora and expounded his belief that, even though the Argentine military was no longer in power, a final armed showdown was inevitable.

There was not long to wait. In January 1989, a few months before President Raúl Alfonsín was voted out of office and

replaced by Carlos Menem, Gorriarán made his final move. Up to 50 MTP guerrillas attacked an infantry regiment barracks at La Tablada, outside Buenos Aires, claiming that right-wing extremists in the army were about to launch an uprising against the elected government.

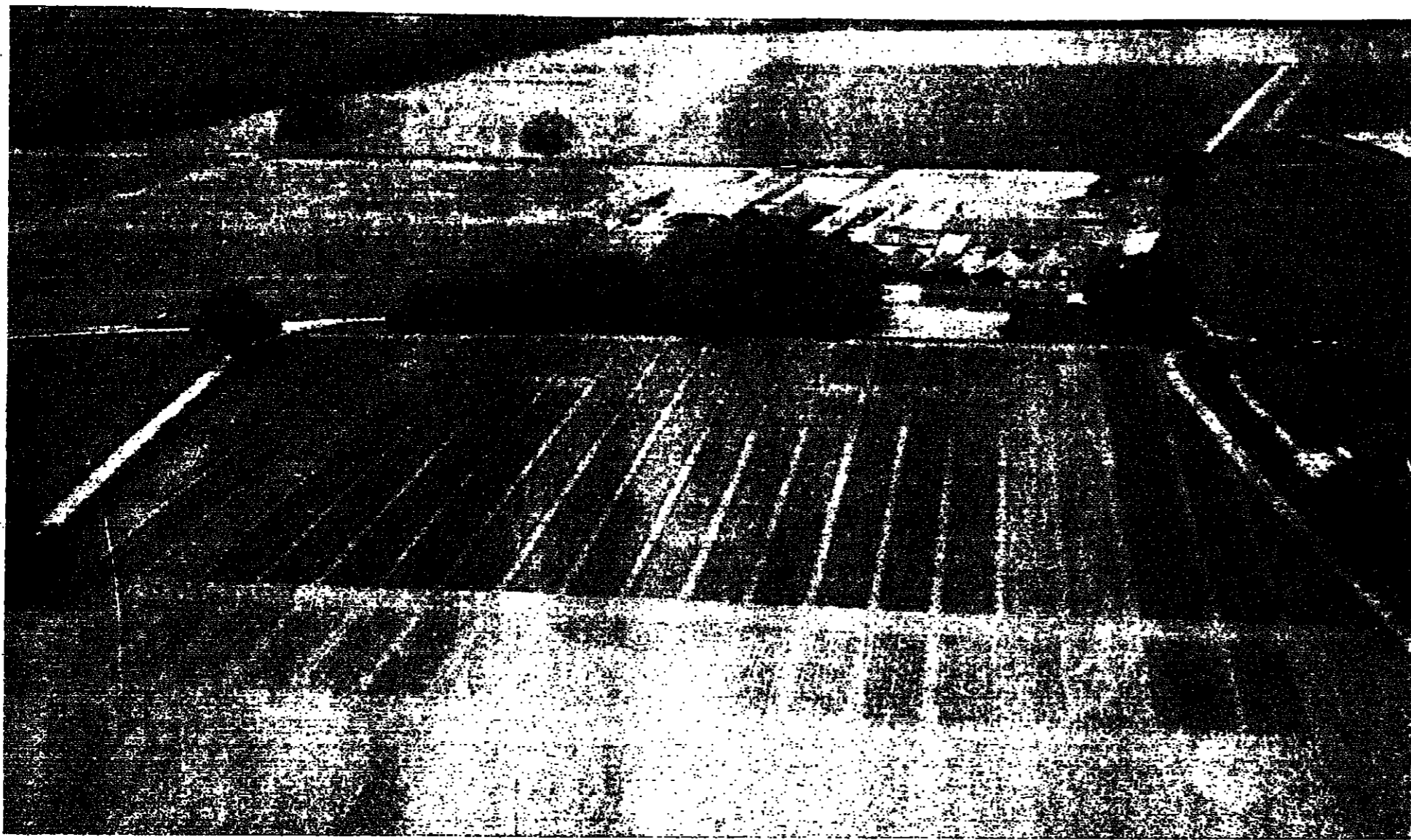
At the end of a day of hard fighting, 11 soldiers and 34 MTP guerrillas lay dead. Yet again Gorriarán managed to escape and disappeared.

The Argentine public were astonished: these ghosts from the past had appeared from nowhere, and appeared to have nowhere to go. Gorriarán and his followers had become political anachronisms. In most of Latin America the left had renounced armed struggle in favour of electoral politics.

Circle No 1152 on Card 2 Page 7, Fax 7 536 4 895

مكتبة الامم المتحدة

PERSPECTIVES



Broadbalk in summer. From right: green strips treated with manure and nitrogen; yellow strips first unmanured, second treated with minerals only and green strips fed with nitrogen. Top left: the wilderness

The 153-year-old experiment

Alison Maitland visits an agricultural research station dubbed 'keeper of the long-term conscience'

It is midwinter and the first shoots of wheat are peering through the soil in a field like no other in the world. In the chilly mist, the young plants look unremarkable. But in a few months, they will bloom into a spectrum of colour from verdant green to pale yellow. A unique experiment in soil fertility is entering its 153rd year. This is Broadbalk, centre-piece of the world's longest-running continuous agricultural field trials.



Rows of jars in a shrine to the legacy of scientists Lawes and Gilbert

John Lawes and Henry Gilbert, the founding fathers of agricultural science, sowed the first wheat on the 12-acre plot at Rothamsted, in rural Hertfordshire, in the autumn of 1843. They wanted to measure the effect on crop yields of different soil treatments - from applying nothing at all, to farmyard manure, to artificial fertiliser.

rain emissions have plummeted in the last 15 years. Rothamsted has measured the rise and fall of sulphur in acid rain, from 6kg in the rainfall deposited per hectare per year in 1850 to 24kg in 1990, and down again to about 10kg in 1995. In another of Lawes' classical experiments, pastureland has received different fertiliser treatments continuously since 1856. The experiment enlightens the quest to preserve the world's shrinking fund of plant species. More than 60 grasses and herbs, some rare, grow on the unmanured plots. By contrast, only a few vigorous species grow on the plots enriched with fertiliser.

The poet with blood on his apron

Christina Lamb on the rhyming butcher and his Portuguese village

Since my 52-year-old mother slipped out of her Marks and Spencer twinset and into a minuscule silver sequin and peacock feather creation to samba her way through Rio's Carnival parade, I have learnt to expect the unexpected. Be that as it may, it was still a surprise to discover that the burly butcher in a nearby village is a poet. Somehow one does not imagine that a ruddy-faced man who spends his days cutting slabs of beef and churning out sausages, may be simultaneously creating rhyming couplets.

At the entrance of the village stood a large sign on which was painted in bold blue strokes "Welcome to Gouveia. Village In Verse". Underneath was the following poem (roughly translated): The roads are free-moving The air is sweetly calm The doors are all open To welcome everyone.

But they had overlooked one thing: "The roads had no walls," laughs Jose. "There was nowhere to hang the tiles." Undeterred, he led a campaign to build street walls of local stone. Finally he and Geraldo crept out late one night and put up the tiled verses. The first of all this was waking up one Saturday morning to find that every street had its own plaque painted with a name and verse. That day was spent walking around, starting in wonder at each plaque and reading the verses to themselves and each other.

Secretly he worked with Geraldo, the local tilemaker, to paint the verses on tiles ready to place on the streets

Surviving a race through chaos

Letter from Bangkok/Ted Bardacke

You have to enjoy extremes to live in Bangkok. The sun and the tolerance, the chaos and the crowds, the pollution and the traffic. Especially the traffic. Occasionally, as a vaccine against insanity, you have to take an extra dose of these extremes. That is exactly what I and 10 other residents did one Saturday, racing through 58km of the choked streets of Asia's most polluted city.

Even the colour black, so often associated with the hazy sky and the grime that accumulates on your skin, was beautiful in places. In the neighbourhood around Chulalongkorn palace, home of King Bhumibol Adulyadej, most of the women were dressed in black, still mourning the Princess Mother, who died in July and will be cremated in March. And the Chao Phraya river, running black because of pollution, was a buoyant bustle of barges and tugs, ferries and ocean liners.

My time was helped by a little trick I pulled getting on to an overpass near the end of the race. Technically, the overpass is off-limits to cyclists and a policeman stationed near the on-ramp acts as a deterrent. But the prospect of avoiding four traffic lights, was too alluring. I held on to a pick-up truck and was propelled on to the ramp - but right into the sight-line of the policeman. He did not even flinch.



THAT'S RANDY THE CRAFTY SO-AND-SO BET US HE WOULD WIN THIS CYCLE RACE

HOW TO SPEND IT

Have Vuitton - will travel in style

Seven designers were invited to help celebrate the luggage-maker's centenary. Lucia van der Post reports

You have to hand it to Louis Vuitton. When the rest of the world is playing it minimalist, it requires a lot of chutzpah to flaunt your logo and initials. From Gucci and Prada to Hermès and YSL, the word has gone out that softly, softly, is the name of the 1990s game - where initials and logos are a vital part of the image they should be whispered quietly, not flaunted. Like some financial wizard bent on beating the market, Louis Vuitton has decided on a bold, contracyclical move and commissioned seven of Europe's most high-profile designers to do something strong and wonderful with its famous Monogram canvas. It seems just the other day (although it was more than six years ago) that the company embarked on a policy of reducing the number of products sporting the logo. All the small articles - the comb cases, dog leads, key-rings and wallets - which "brought in money but were spoiling the brand" were to be covered in the more understated fabrics. Cuir Epi, a plain leather line, was introduced and proved to be an immediate success, very soon accounting for some 13 per cent of turnover. Yet here we are in 1996 and Louis Vuitton has produced six innovative products, every one of which is covered all over in the famous monogram. Part of the reason is that 1996 marks the centenary of the invention of the wax-covered canvas. The original M. Vuitton had been engaged

in providing the travelling classes with the appurtenances that the new ways of travelling required and as the ways and means of travelling changed so, too, did the products. Those original pieces were covered in the waterproofed canvas so as to withstand the weather when piled uncovered on stage coaches. Then came trunks for steamers, folding gadgets for camel-trains and, in the fullness of time, softer pieces for the new-fangled tad for flying - Vuitton had found its niche in providing the cutting-edge traveller with his necessities. The pieces commissioned for the 1996 centenary celebrations are designed to play exactly the same role in the lives of the contemporary traveller. Or as Jean-Marc Loubier, Louis Vuitton's director of marketing and communications, whose idea the project was, would frankly admit, to make the famous canvas seem more contemporary, more hip, once again on the buying agenda of the taste- and trend-setters. All seven designers - Romeo Gigli, Azzedine Alaïa, Manolo Blahnik, Helmut Lang, Isaac Mizrahi, Sybilla and Vivienne Westwood - have risen to the occasion, broaching the task with enthusiasm, verve and wit. Vivienne Westwood, for instance, has used the sober canvas for a pert and provocative "bum-bag" - very useful, great fun and eminently contemporary. Sybilla of Spain designed what every shopper will long to have - a backpack



A provocative posterior

Vivienne Westwood is well-known both for her ability to be provocative and for her obsession with women's posteriors. So convinced is she that it is a woman's posterior that men notice first, Louis Vuitton tells me, that she has proceeded logically from this assumption and designed a canvas and leather "bum-bag" (left) which not only nestles against the posterior but also contains that posterior-enhancing

device, the bustle. The combination of the highly established monogrammed canvas and the witty "bum-bag" works a treat. The strap is buckled around the hips, from back to front, enhancing what Vivienne Westwood refers to as "naturally callipygeous endowments". A more restrained function for the bum-bag is that it is perfect for the old slopes; the canvas is sturdy and waterproof. £500.



Take cover from the rain in Spain

Sybilla of Spain has not been a big name in fashion for some time but when asked by Louis Vuitton to take part in this exercise she could not resist the challenge. She takes that contemporary accessory, the backpack, and gives it a new twist. The backpack looks conventional enough (although Sybilla says she made it a "young backpack, soft and organic... elegant but practical") but the surprise is that at the first sign of rain, an umbrella attached to the top of the bag can be released (also, of course,

made from the logo-covered canvas), keeping the shopper dry and leaving the hands free for carrying other things. Sybilla says that the idea of

incorporating an umbrella "was a silly idea I wanted to do long ago, but never had the time to develop. I would call it 'shopping in the rain!'". The backpack is £500.

which can also support an umbrella when it rains, leaving the hands free. All the designs are intended to help people on the move - whether a grand concept such as Helmut Lang's grand concept of a mini-trunk designed with disc jockeys in mind, a refined one such as Manolo Blahnik's oval drum for carrying shoes, or a minimalist one such as Isaac Mizrahi's transparent plastic shopping bag with a tiny pochette inside covered in the monogram canvas. All the designers profess to be thrilled by the level of workmanship that the company brought to their designs. Even those who may not wish to buy - all these products are

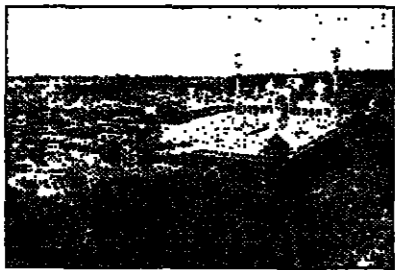
being made in limited editions and prices range from £450 for Romeo Gigli's hold-all and £500 for Sybilla's backpack to £3,000 for Helmut Lang's DJ's mini-trunk - may be intrigued to see what can be done when fine craftsmanship and a dis-

tinguished but elderly brand is given new life by lively and imaginative designers. The products go on sale at Louis Vuitton, 198 Sloane Street, London SW1 and 149 New Bond Street, London W1 from Monday March 4.

Sales of Travel and Exploration

ENTRIES NOW BEING ACCEPTED

Visions of India



William Simpson (1823-1899)
The Juni Masjid, Delhi, signed, inscribed and dated 1864 pencil, pen and grey ink and watercolour heightened with touches of white and green wash, 14 1/2 x 28 1/2 in. (36.2 x 51.8 cm.)
Estimate: £10,000-£15,000

AUCTION: London, 5 June 1996
ENQUIRIES: Laura Lindsay on (0171) 389 2570

Topographical Pictures



Augustin Bravais (c. 1730-1796)
A Negroes' Dance in the Island of Dominica, Fort Young beyond oil on canvas, 16 x 33 1/2 in. (40.7 x 85.1 cm.)
Estimate: £100,000-£150,000

AUCTION: London, 6 June 1996
ENQUIRIES: Nicholas Lambourn on (0171) 389 2040

Exploration Sale



George E. Harlow (active c. 1910-1923)
The British Trans-Antarctic Expedition of 1914-17: The Reeling Box oil on canvas, 13 1/2 x 19 1/2 (34.3 x 49.5 cm.) one of a set of five
Estimate: £30,000-£40,000

AUCTION: London, 27 September 1996
ENQUIRIES: Tom Lamb on (0171) 389 2158

For free auction estimates please send a photograph(s) and/or brief description or telephone one of the above specialists.

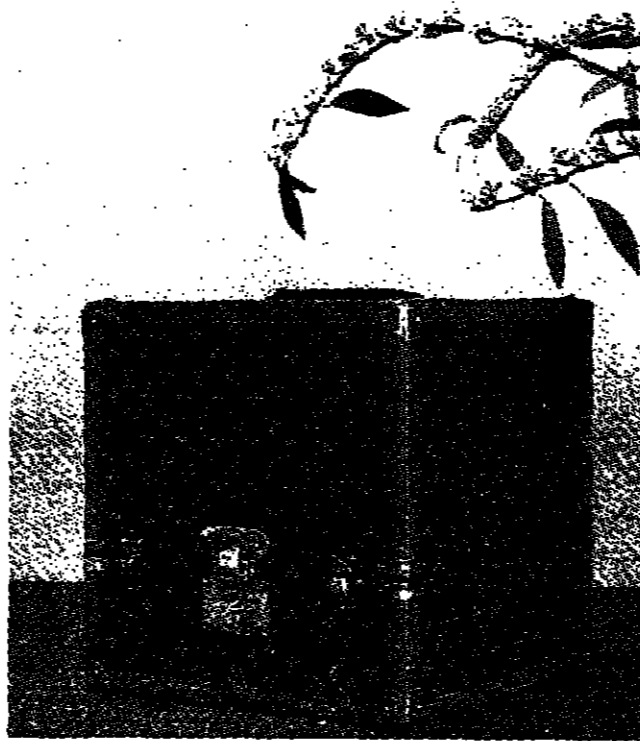


CHRISTIE'S

8 King Street, St. James's, London SW1Y 6QT
Tel: (0171) 839 9060 Fax: (0171) 839 1611
Internet: http://www.christies.com

A compact space for disc jockeys

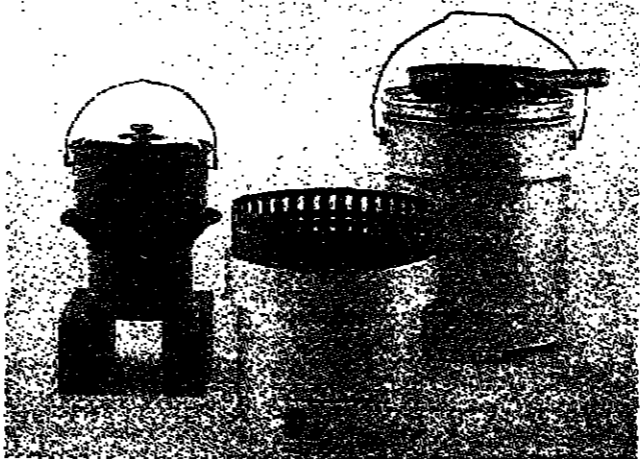
Helmut Lang produced the most expensive of the new designs and the one that most resembles those sturdy steamer trunks that have become such sought-after items in the auction rooms of the world. He calls it a mini-trunk (right) but it is of the exact proportions to store and carry 70 vinyl records (do DJ's still go about with vinyl records, I wonder?) and their necessary accessories, as well as being fitted for some CDs. The DJ mini-trunk is in the long tradition of specially designed Louis Vuitton trunks for musicians - its special container for Pierre Boulez's baton and stand was one of the company's grandest commissions. Should there be a hugely over-paid DJ out there then this new version by Helmut Lang should come in handy. £3,000.



A philosophy based on anonymity

Muji organised a competition for bright ideas. It received more than 3,000, says Lucia van der Post

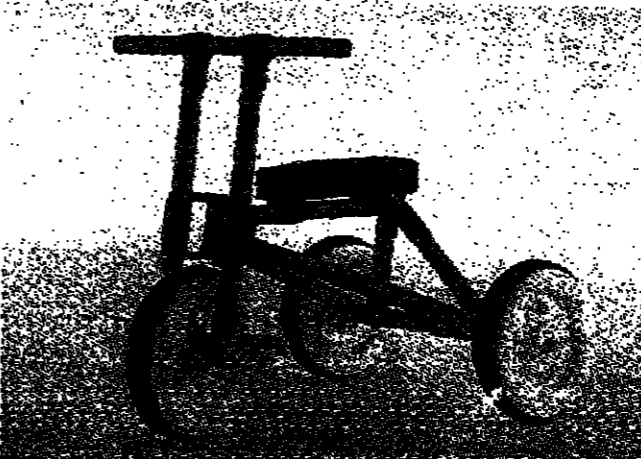
Muji's philosophy about itself and its products is in complete contrast to that of Louis Vuitton: whereas Louis Vuitton has concentrated on developing itself into an instantly recognisable brand, Muji has cultivated anonymity. In Tokyo, where I first came upon it before it ventured on to British soil, it lurked under the title "No Brand Names". It concentrated on sturdiness, simplicity, fitness for function and a minimalist approach that precluded asking more for a product than was really necessary. In other words, Muji had developed a notion (with which many would agree) that brand names had often developed into a mechanism for charging more, rather than a mechanism for guaranteeing quality. Its "No Brand Names" label was meant to signify a certain classicism, anonymity and value for money. Since it launched its shops



Streamline: field cookers based on a traditional Japanese design

and products in the UK under the Muji label, it has been a great success with the understated set but, like Louis Vuitton, it, too, has decided that it could do with some lateral thinking. Accordingly, Muji decided to

run a design competition. About 3,269 ideas were put forward and the winners seem to have come up with some fresh new thinking and some really good products. Overall winners were three Japanese designers, Fumio



Eco-cycle: a tricycle made from recyclable cardboard pipe

Tani, Noburu Hara and Hidehiko Ohashi, who came up with a sleek and streamlined concept for outdoor cooking. Cooking out of doors is not a favourite Japanese occupation and therefore it was, as far as the designers were concerned,

Putting in the boot... and the little black dress

Manolo Blahnik is a bootmaker of distinction (indeed, he is the best-loved bootmaker of the ladies-who-lunch set), so what else for him to apply his talents to but a boot-carrier (above). Blahnik designed his oval drum to be large enough to contain everything needed for a

one-day escapade - the case opens into two halves, each of the compartments being lined in shocking pink leather. He deems the silk-covered hanger on one side just the perfect size to hold a little black dress or other evening outfit. The other side contains two ribbon-trimmed shoe bags, a

large silk pochette for lingerie and another for cosmetics. Everything needed, he feels, for the "perfect getaway". These ladies, it seems, do not care much for reading nor for soiling their hands with work. Those whose lives involve such fantasies will no doubt find it indispensable. £2,500.

مكتبة الاسكندرية

FASHION

The changing face of haute couture

Avril Groom on why ready-to-wear collections are providing a lifeline for designers in the 1990s

A wind of change is blowing through fashion that could radically alter the way designer clothes are marketed. It is only a light breeze as yet but for an industry in the retailing doldrums, any relief would be welcome.

Some designers believe that fashion has pondered more to the media circus than to the customer. In the high-spending 1980s the needs of both sides appeared to merge but the New Nineties woman wants quiet quality rather than tabloid headlines. And haute couture illustrates the dichotomy. Its shows have been vaunted as publicity stunts aimed at selling scent worth millions of pounds rather than suits worth a few thousand.

Now, in a season when John Galiano's arrival at Givenchy has put couture under the closest scrutiny since Christian Lacroix launched his house in 1987, the designers have handed the clothes firmly back to the clients. Venues are smaller and more intimate and the clothes themselves retain perfect cut and individual fit. But the collections at least try to appeal to "real" women rather than duchesses and goddesses.

This may have come just in time, for even the French newspaper *Le Monde* says couture is in the "twilight of its days". It is too late for Michel Klein, couture designer for Guy Laroche who gave a static display of his final 15 couture outfits - faultless tailoring in silk or heavy satin and chiffon evening dresses with traceries of lace, all in monochrome and adaptable to the de luxe ready-to-wear which Klein sees as the future of very high fashion. "Even wealthy women work," he says. "They want not decoration and complicated clothes but a beautiful, simple suit in the best fabric, cut specifically for them, which will fit the rest of their wardrobe and last for years, like a man's Savile Row suit and of the same order of cost." The de luxe range, available in the Laroche Paris shop, can be ordered in a choice of fabrics with alterations made to stock sizes.

Support for lower couture starting prices comes from surprising quarters. Despite his unabashed courting of rock stars, Gianni Versace believes in simple daywear and less elaborate techniques. "When I started 'made-to-measure' I deliberately called it 'atelier', not couture, to show that it was hand-made but that I was not going to follow all the rules. Why make dresses in the 19th century way when we can fly by Concorde? We have the craft to do the grand beaded gowns, but a simple dress starts at around £2,000."

The distinction comes from the fabrics, such as this season's heavy duchesse satin in bold Op Art prints or "liquid" metallic chainmail, and from the techniques necessary to make a bias-leather slip dress out of soft leather mixed lingerie-style with delicate lace. Clients still need to be fitted, but for simple shapes this can be done at one of the Versace stores rather than at the Milan headquarters.

Even Christian Lacroix, the high priest of decorative couture, has changed tack. He started on the crest of the consumerist wave, backed by LVMH, the French luxury goods-maker, which also owns Dior and Givenchy. He believes he will be the last true couturier with his own label and expects finally to make a small profit this year, on the strength of his Bazar diffusion range and accessories. "When I look back at my first collection it seems like a dinosaur," he says. "Life has become much less dressy even in those eight years."

His customer, he says, is as likely to be a top businesswoman as a socialite. "She wants a wonderful jacket or a simple evening dress but she will wear them quite plainly." This knowledge makes his provocative catwalk presentations of individual pieces all

the more interesting. For instance, a small fitted pink silk jacket trimmed with bows, for a smart lunch perhaps, is shown with a boldly striped evening skirt which most would wear with a plain black top. The lace, hand-woven fabrics and textured beading make his work into art, yet his basic shapes - a small fitted jacket, a structured A-line dress and a severely carved corset with separate huge evening skirt - become simpler each season.

The media-loving Karl Lagerfeld at Chanel also puts the client in the spotlight. He showed in the grand yet intimate salons of the Ritz, partly in homage to Coco Chanel's death there 25 years ago, and partly to show off the fine couture tailoring of small tweed jackets that fit like gloves, sinuous long crepe skirts, delicate evening chiffon, lace and glimmering sequins and the new Chanel belt-like fine gilt fish-scales.

Valentino, whose Roman workrooms are reputed to be the world's best, showed in a long gallery at the sumptuous Opera Garnier with models almost close enough to touch. Clients approved the marriage of fashion's minimal shapes with the craft of fine chignon pleating, perfect topstitching, subtle lace patchwork and delicate beaded cutwork, in muted pastels and neutrals.

Ready-to-wear is crucial to a house's fortunes if it shares the

The collections at least try to appeal to 'real' women rather than duchesses and goddesses

design hand of the couture. Galiano has been clever at Givenchy, where clients' needs have always come first. Romantic gowns with 20ft trains are splendid camera-fodder, but the real business will be done on tailored A-line suits and button-through dresses spliced with snakeskin, faux leopard or Givenchy's signature bows. There will be simple tuxedo suits or slinky black sack dresses with toga panels, all in the Givenchy spirit but with Galiano's sharp-shouldered, narrow outline.

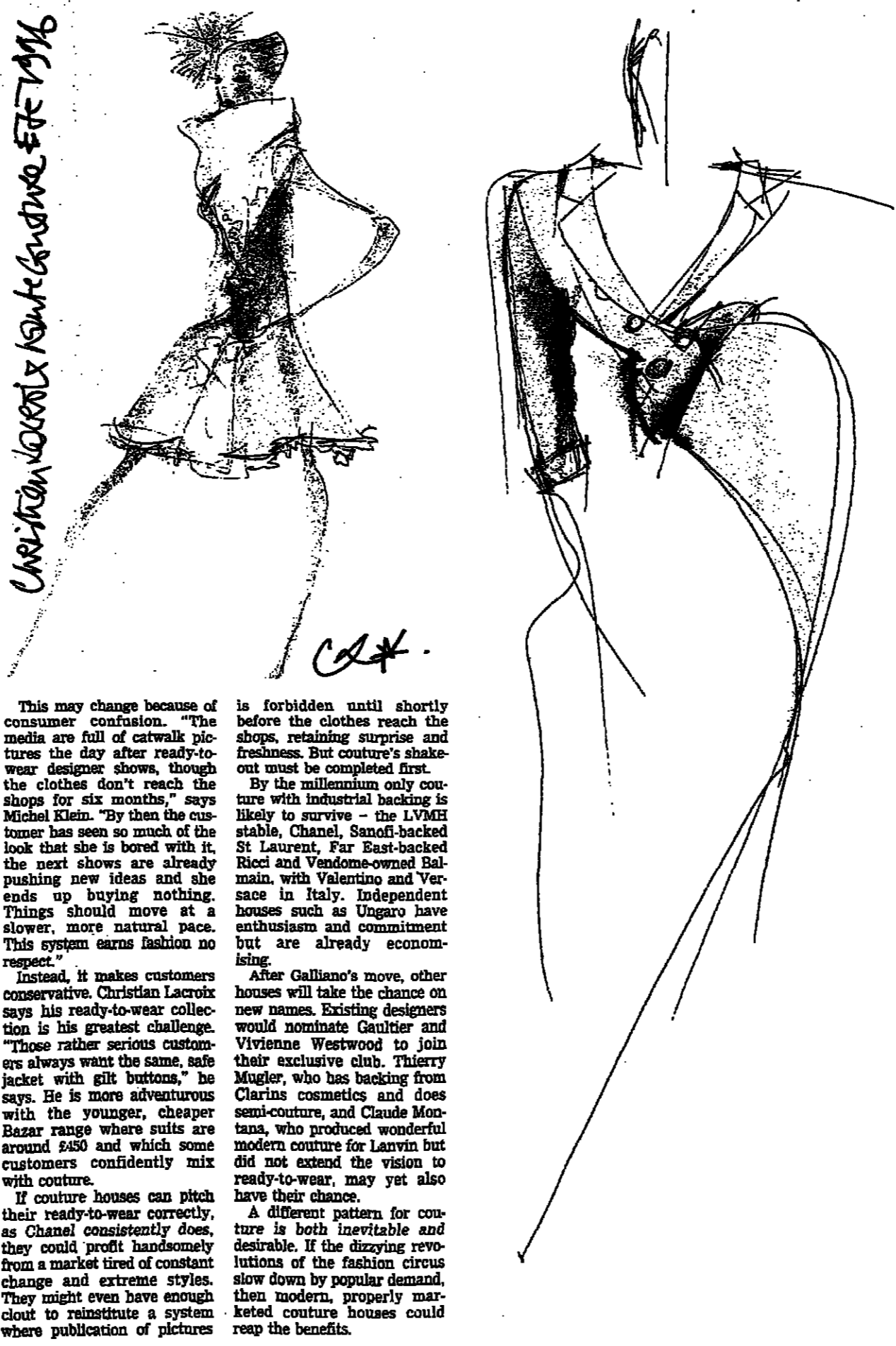
They have also been adapted for ready-to-wear which in autumn is expected to relaunch Givenchy as a fashion force, with suits around £1,000, against the £3,000 starting point for couture. By autumn there will be more ready-to-wear based on the spring couture shapes from Chanel, Versace and Valentino, as well as Yves St Laurent's 1940s-style blazers and puff-sleeved silk print dresses, Ungaro's maribou-trimmed soft chiffons and Dior's 1950s-formal longline suits with lacy or beaded camisoles to take the modern client from boardroom to dinner.

This creative input is couture's other reason for being. The houses which have come unstuck - Patou, Lanvin and Laroche - have been those which put their couture in separate design hands and had no separate, inspiring identity. Only Nina Ricci, where Gérard Pipart's couture is the last refuge of the old-style European aristocrat and gaudy Far-East customer and ready-to-wear is designed by Jean Paul Gaultier's former assistant, seems to have succeeded in this dual track, with couture sales up by 20 per cent last year.

Haute couture will always be a small market - even Dior, one of the most successful houses, admits to only 250 orders a year - so ready-to-wear sales are essential. Because of couture design's evolutionary, client-friendly nature these businesses appear as a disadvantage compared with trend-setting ready-to-wear labels.



■ Top left: White tweed small-collared jacket, seamed to fit, with gilt fishscale belt and long black crepe hip-hugging skirt, fluted to hem, by Karl Lagerfeld for Chanel
 ■ Above: 1940s-style cyclamen pink jacket in heavy linen with pleat-skirt crepe dress in soft turquoise with small pink print by Yves St Laurent
 ■ Left: Silk cloque 1950s-style tailored jacket with deep scooped revers and cuffed three-quarter length sleeves, and longline pencil skirt, by Gianfranco Ferré for Christian Dior
 ■ Far left: Dove grey taffeta structured dress with funnel neckline and lace appliqué, by Christian Lacroix



This may change because of consumer confusion. "The media are full of catwalk pictures the day after ready-to-wear designer shows, though the clothes don't reach the shops for six months," says Michel Klein. "By then the customer has seen so much of the look that she is bored with it, the next shows are already pushing new ideas and she ends up buying nothing. Things should move at a slower, more natural pace. This system earns fashion no respect."

Instead, it makes customers conservative. Christian Lacroix says his ready-to-wear collection is his greatest challenge. "Those rather serious customers always want the same, safe jacket with gilt buttons," he says. He is more adventurous with the younger, cheaper Bazar range where suits are around £450 and which some customers confidently mix with couture.

If couture houses can pitch their ready-to-wear correctly, as Chanel consistently does, they could profit handsomely from a market tired of constant change and extreme styles. They might even have enough clout to reinstate a system where publication of pictures

is forbidden until shortly before the clothes reach the shops, retaining surprise and freshness. But couture's shake-out must be completed first.

By the millennium only couture with industrial backing is likely to survive - the LVMH stable, Chanel, Sanofi-backed St Laurent, Far East-backed Ricci and Vendôme-owned Balmain, with Valentino and Versace in Italy. Independent houses such as Ungaro have enthusiasm and commitment but are already economizing.

After Galiano's move, other houses will take the chance on new names. Existing designers would nominate Gaultier and Vivienne Westwood to join their exclusive club. Thierry Mugler, who has backing from Clarins cosmetics and does semi-couture, and Claude Montana, who produced wonderful modern couture for Lanvin but did not extend the vision to ready-to-wear, may yet also have their chance.

A different pattern for couture is both inevitable and desirable. If the dizzying revolutions of the fashion circus slow down by popular demand, then modern, properly marketed couture houses could reap the benefits.

WILLIAM ELLIS
LUXURY CLASSICS

10% OFF
INTRODUCTORY OFFER

TRADITIONAL SPORTS & LEISURE WEAR
William Ellis has a very clear aim - to provide top quality sports and leisure wear at an unbeatable price. We use only a luxury weight cotton jersey in our shirts, making them a full 20% heavier than those of our competitors. The difference is immediately apparent: the fabric provides greater all round comfort and durability. Goods are despatched within 48 hours, stock permitting, and come with our unconditional guarantee.

Please send me a copy of your brochure with details of your 10% OFF INTRODUCTORY OFFER...

Mr/Mrs/Miss/Ms
Address
Postcode

SEND TO: William Ellis, FREEPOST 24 LON 8311,
London, W1R 3AD Tel: 0171 734 6100 Fax: 0171 734 6500

PROPERTY

Bath: a city shaken to its foundations

Gerald Cadogan visits the civilised and cultural centre of the west country, a World Heritage site that is a victim of the car

In Bath two famous father and son architects, both called John Wood, designed a showplace for the summer resort of that 18th century world of fashion and wit. They built it in a classical style, using local Bath stone.

Today The Circus, Royal Crescent and Lansdown Crescent, and many surrounding streets, have survived little changed - except for the traffic - for 200 years.

Bath is named as one of four World Heritage cities in Europe, its unique architecture and town planning, and its historical links with many important residents and visitors have won it that accolade.

Bath is still sophisticated and civilised. It has good shops, good restaurants, plenty of culture and lots to see in the neighbouring countryside. Links with the outside world by rail and the M4 are excellent, making it ideal for commuters and those wishing to travel to Heathrow airport.

Consequently, Charterhouse International, the Bath-based buying agent, reports "a strong register" of would-be buyers, with cash. But there are not enough houses on the market to meet demand.

Philip Cobb, of estate agent Cobb Farr, agrees that demand is strong and finds that many more people, previously content with a flat in Bath as a second residence, now want to move completely out of, say, London, to the west country.

For newcomers and old inhabitants alike, traffic is a problem.

It is to blame for eroding the carved stonework of the buildings in The Circus - all listed grade I, all of world importance - shaking them to the foundations, making the life of residents intolerable and giving visitors an alien view of this extraordinary urban drawing room.

Damage used to come from acid rain which left smog hanging over the city, which sits in a bowl. Jane Austen wrote of Bath in 1801: "The appearance of the place... was all vapour, shadow, smoke and confusion."

Now, one may burn only smokeless fuel or have a gas fire.

The cleaning of Bath's buildings began a few years after the second world war to remove two centuries' incrustation of sulphurous grime.

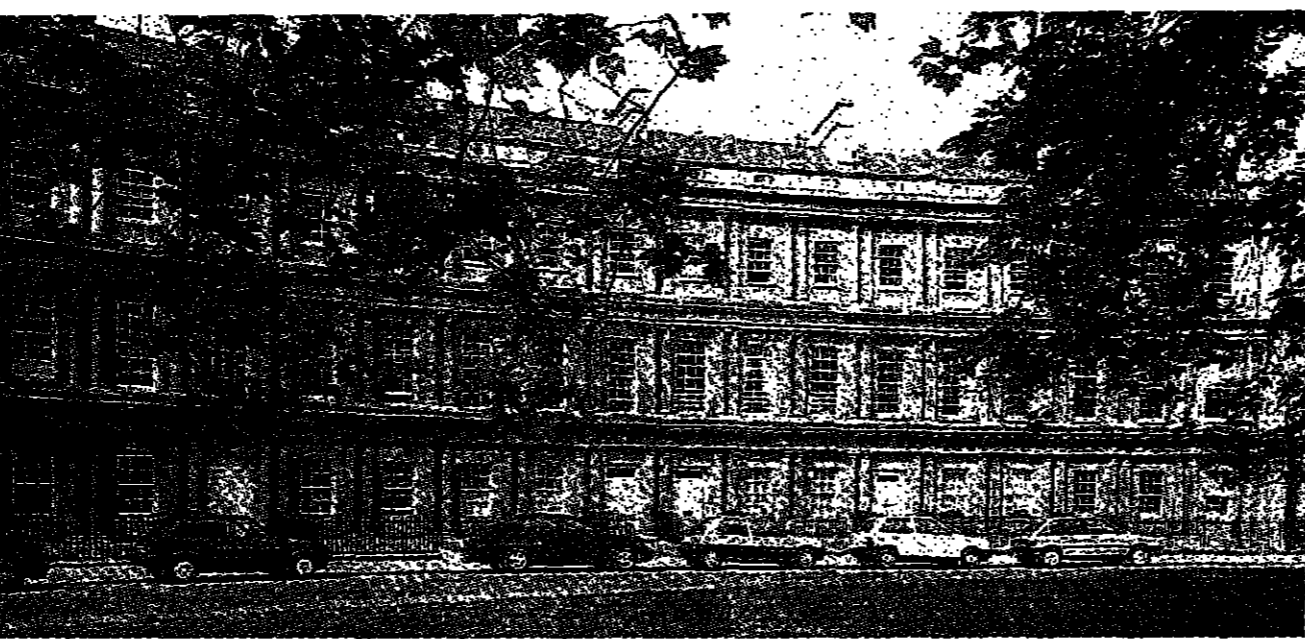
In The Circus eight houses were cleaned between 1955 and 1960. But by 1989 six of these were deteriorating and needed cleaning again. The west front of Bath Abbey had the same problem. What had gone wrong?

The most likely culprit, as a 1993 Bath City Council report on *Acid Rain and the Cleaning and Conservation of Stonework in Bath* suggests, is the exhaust emissions from vehicles.

An estimated 5,000 vehicles a day, including lorries, pound round The Circus. Vivienne Rae-Ellis, chairman of the Circus Area Residents' Association, who lives at No 17 (where Gainsborough lived), finds that 98.5 per cent of the vehicles do not stop for business in there but are simply driving through.

The most hated vehicles, she says, are open-top tourist buses which trundle through several times an hour, every day of the week, with perhaps only a handful of tourists on board. The visitors often peer into first-floor rooms and spoil residents' privacy. "We are not a snooty elite," she adds.

Coaches are another curse. Since they



Top: the former Empire Hotel is now being turned into a top-class retirement home by Pegasus, with flats priced between £180,000 and £430,000. Bottom left: The Circus, Bath - last year Savills sold a whole house there for around £550,000. Bottom right: an aerial view of The Circus and Royal Crescent

are banned from the Royal Crescent, they stop in The Circus to discharge passengers to walk along Brock Street (which connects The Circus and the Royal Crescent) and wait 20 minutes, illegally, their engines running, for them to return.

Apart from the long-term damage from vehicle exhausts, the double-decker buses are a visual blight. They are out of proportion in the Woods' great urban "rooms", and destroy the space and feel of them. The Woods designed these buildings to be

seen on foot or from the level of a sedan chair - Bath chairs came later - forcing people to look up at the majesty of their creation, not down from the upper deck of a bus.

The solution is to make visitors walk in

The Circus. The Residents' Association has proposed to Avon County Council that it bollard off Gay Street (the main entrance/exit for The Circus) and make The Circus access-only from the other two streets. Avon is referring the matter to the

new Bath and North East Somerset unitary authority which takes control on April 1. Eliminating through traffic to save The Circus would be a wonderful way to start work.

Flats in Georgian Bath cost from £90,000 (one bedroom) to around £330,000 (depending on size, access to the garden, etc), says Cobb. His company has two on offer in The Circus: a first floor flat at £105,000, and a top-floor maisonette at £187,000. Last year Savills sold a whole house in The Circus for around £550,000, while a house in the Royal Crescent went for more than £300,000. That included freehold garages which are a valuable commodity in Bath, says Cobb.

In Great Pulteney Street, on the far side of Robert Adam's Pulteney Bridge over the river Avon, no 77 is a refurbishment (by Radbourne Estates) where two flats (with garage) are available through Cobb Farr at £235,000 and £280,000.

Beside the bridge an impressive conversion of the former Empire Hotel is now in progress. Used by the Admiralty from 1838 to 1989, it is being turned into a top-class retirement home by Pegasus, with flats priced between £180,000 and £430,000. It will have shops and a restaurant on the ground floor, and underground parking and, for the first time, the colonnade walk along the river from the bridge to Parade Gardens will be open to the non-paying public. One must be 55 or over to buy in the Empire.

The alternative smart development, with no age bar, is Beaufort Homes' Cavendish Lodge on the hill below Lansdown Crescent. Architect William Bertram has designed - after many planning stages - a Palladian villa in 3 acres, with 20 flats and two lodges at prices between £285,000 and £310,000. Savills is the agent.

Other options are a modern mews house off Great Pulteney Street at £142,500 (Cobb Farr), or a substantial Victorian villa (semi-detached) on the edge of the city at Weston Park for £360,000 or a converted tith barn at Bathaston for £500,000 (both Cluttons).

West of Bath, Chappell & Matthews offers a good Georgian village house in Ubley for £245,000, and Hamptons a converted mill at North Wootton for £350,000.

To the east Middle Hill House at Box near Corsham is a Georgian house with glass veranda on two sides, and fine garden, cottage and 6 acres, at £640,000 from Humberts or Savills. At Beechfield Park in Corsham Gleason Homes is building houses between £170,000 and £230,000 (inquiries to Savills).

The most unusual house for sale outside Bath is Freshford Manor, in the village nicknamed "HMS Freshford" because so many retired naval officers have lived there. Six miles from Bath, the house is listed grade II* and dates from 1700 with many additions, including a Victorian conservatory. The vendors through Cluttons are the Trustees of the American Museum in Bath, whose founder John Judkin and Dallas Pratt used this house.

The bay windows on the garden side are just like the bays on the garden side of houses in Bath. Much of the decor is American, but the Hogarth room, with Hogarth cartoons set into the wall, is defiantly British. The price is £500,000. Buyer should expect to spend at least £200,000 more on renovating, but the result will be a rare house where you may drink gin with the navy - Hogarth would approve - or offer a dry martini.

Chappell & Matthews, *Chev Magna* (tel: 01275-333199); Charterhouse International, Bath (01225-482727); Cluttons, Bath (01225-469511); Cobb Farr, Bath (01225-333332); Hamptons, *Chev Magna* (01275-332233); Humberts, Chippenham (01249-444555); Pegasus Retirement Homes, Cheltenham (01242-576610); Savills, Bath (01225-444622).

Battles for the Scottish Highlands

Michael Wigan wonders if a working environment is about to become one gigantic nature reserve

It used to be worth buying a Scottish Highland estate only if you had money to burn. But that traditional view has been superseded by a new phenomenon.

The pattern of ownership is changing, and the new big-time players are charities. The Royal Society for the Protection of Birds alone has more than 50 estates. Around Christmas 1994, it bought the peatlands estate of Forsinard in Sutherland for £800,000. The initial appeal rapidly raised £1.5m; a follow-up appeal for funds with which to run the property is still accumulating.

But the trend was set in the 1980s. The case which whetted conservationists' appetites was Knoydart, the enormous rugged area of deer forest in the Western Highlands.

Its owner, tired of losing a six figure sum annually in maintaining this trackless mountainous promontory,

found that his notices of sale stirred a feverish conservation bandwagon.

Eventually, after objections that a possible purchaser could be the Ministry of Defence, whose conservation credentials, as it happens, are good, the conservation consortium collapsed. The wilderness kingdom was bought by a developer who carved it up and sold the chunks. The last chunk is on the market now.

The next "last wilderness" was the celebrated Mar Lodge, adjacent to Balmoral, itself once the hunting ground of Scottish kings, which was owned by an absentee landlord, the American John Kluge. Mar Lodge contained remnants of so-called "priority

habitat", namely former Caledonian Forest, composed of Scots pines.

Another furor ensued; such important heritage land, it was said, should not be the bauble of a rich American, and that the government should effect a rescue. Wisely, the government did not intervene. Last year a deal was struck: £5.5m was paid by the National Trust for Scotland, a private charity, aided by the National Heritage Memorial Fund. The result was viewed with chagrin by the RSPB which had wanted to add Mar Lodge to its other landholdings.

Earlier figures banded about for Mar Lodge, in the region of £10m, were passed

over by the American owner because, it is suspected, he found the National Trust for Scotland's wide-ranging and traditionalist land use ideas more palatable than those of single interest pressure groups.

So the list of large Scottish Highland estates bought by charities in the past few years now includes the 77,000 acre Mar Lodge, Glenleslie (42,000 acres, bought by Will Woodlands), West Affric (9,000 acres, National Trust for Scotland), Forsinard (17,600 acres, RSPB), Abernethy (31,600 acres, RSPB) and Sandwood Bay (11,000 acres, John Muir Trust). This trend of transferring large Scottish Highland estates from private ownership

into the hands of charitable trusts is set to accelerate.

Participation by the National Heritage Memorial Fund in the land market in Scotland, along with the rest of Britain, will be augmented by the National Lottery, of which 28 per cent of its proceeds is allocated to good causes. A fifth of this formidable sum is for distribution by the NRMF. In the past six years the NRMF has spent 10 per cent of its budget on land purchases.

The fund only supports charities or public bodies. Already the NRMF has contributed £500,000 towards the RSPB purchase of Abernethy. It was involved, too, in the enlargement of Abernethy to Loch

Garten, and in the Sandwood Bay purchase. The fourth list of Heritage Lottery Fund beneficiaries, published last September, features the RSPB again, £875,000 going towards the acquisition of Bliss Estate in Suffolk.

Happily for the RSPB, its involvement with Forsinard does not stop with its own fund-raising. A further £325,000 is guaranteed, on a pound-for-pound basis, by the conservation arm of the European Union Life fund, which is capitalised at £37m.

Another tranche of money from the Life fund will pay half the management costs on the estate during the first two years. A bigger sum from the Life fund to the RSPB, in part-

nership with the government's nature agency in Scotland, Scottish Natural Heritage, is available for general ecological restoration schemes in the peatlands.

The cross-funding of charities, trusts and government aid agencies can be confusing. The National Trust for Scotland, for example, gets 20 per cent of its £13m income from government agencies and departments including SNH and the Scottish Tourist Board.

The role of SNH in directly assisting land purchases, including those by crofter trusts, has become a sensitive matter. Sir Hector Monro, a former Scottish Office minister, considered it an improper

use of public funds, unless it was regarded as cost-effective. The RSPB, awash with funds, with some audacity, complained to Sir Hector about his policy of donor restraint.

Land now owned by charities adds up to a substantial amount, and the way the various properties are managed will have an impact, possibly severe, on their neighbours. For example, if predators such as foxes are not controlled they will make adjacent grouse-moor management even more problematical than it is already.

What are the private thoughts of the native? - asking out their living in the "priority habitat", to whom the invasion of fresh-faced environmentalists is just another wave of colonists, and to whom the whole process is the gradual conversion of a working environment into one gigantic nature reserve? Says one: "It's just a damn racket."

Gardening / Robin Lane Fox

Learn to appreciate the willow

In the past 10 days, we have all understood what it means to be a snowdrop. No sooner had the snow gone than the flowers were appearing miraculously under trees, along roadsides or in grass where they do not seem to have been troubled by the dry summer.

In the next few days, we move from one miracle to the next, from these white flowers to the extraordinary array of beauty on special willows. Willows still need a first-class book and a much broader approach from keen gardeners. Garden centres are more likely to stock the fancy forms with multi-coloured leaves and splashes of white and pink.

They are too mixed-up for my taste and I much prefer forms closer to the wild, beauties which are so much less fussy. Some of them are suited to people with small gardens or borders in towns, but the true class of the better willows is reserved for those who have opted for rural life.

Style merchants still urge us to

look backwards and imitate the famous Miss Jekyll. She wrote a famous book, *Water and Woodland*, but it is strangely unhelpful about willows although they are ideally suited to two of her three subjects.

She refers to the forms with red twigs, but gives no names and hurries on in a single paragraph. Those who really want the true Jekyll style which has denuded themselves so much have to be more fully studied and appreciated since she wrote.

Willows now run to more than 120 varieties in commerce and it takes an experienced eye to know what to pick. My eye was first alerted by Keith Steadman, the Gloucestershire gardener and former nursery-

man who even sold *Salix boeckii* in the early 1970s.

Among botanists, primrose Warburg has given over a generous area of garden woodland to the family and observed their small variations. Unfamiliar forms keep turning up at spring flower shows and winning medals because the stems are so easy to grow and show impeccably. My choices have expanded over the past 10 years and no doubt there are more surprises to come.

One of the best surprises has been the newly prominent form, *Salix acutifolia* Blue Street. This very strong variety has stems with a white bloom and a slightly weeping shape, while the narrow leaves are a combination of silver and blue-green. It is extremely smart,



but needs space in which to develop its drooping habit. It now has the Award of Garden Merit and in my experience, does not insist on wet soil or a summer unlike 1995.

The most enchanting form of taller shrub is now *Salix Daphnoides* Aglaia which has won the same award and is harder to find in the trade. It is quite tall, but its stems spread at various angles and are a pleasure to see as a skeleton without leaves. Their wood is plum-coloured and the buds this week are the silkiest and shiniest silver waiting to open into yellow catkins.

It can be cut to retain the height of a reasonable shrub, but it will make a small tree if left alone. It belongs in the first class of plants of this size, especially at the edges of a formal garden which is drifting away into something rougher and wilder.

In Sissinghurst's White Garden, there is a willow among the impos-

ing silver thistles, although visitors often miss it as a necessary companion to all the flowers. *Salix Alba* Sericea is silver all over and not nearly so rampant as many in the family. In a white garden, it can be pruned fiercely and its roots will not run so widely that it becomes a nuisance.

Willows have attracted several scholars whom I have been lucky enough to know in their work and gardens. Perhaps the attraction is that they look after themselves for most of the year and appeal to an eye with time on its side in so many different ways, the stems, the catkins, the leaves and the shape.

One of the keenest growers, Nancy Saunders, was both a scholar of difficult cuneiform and a great

connoisseur of willows: she is now commemorated by her superb form of the purple-stemmed osier, *Salix Purpurea* Nancy Saunders. Severe pruning improves it every spring, but it is not at all difficult or insistent on wet soil.

All these willows have one supreme virtue and two little peculiarities. The virtue is that they will all root from single branches cut and stuck directly into the ground for as much of their length as you can easily push into the soil. In normal, wet summers you can simply leave them to make new roots and twigs and multiply them by the dozen.

We all want plants with several seasons, elegance and an approximation to wild nature. They are so useful in the outer edges of gardens where the flower beds run out of momentum. Willows have no prickles, no bad temper and an immense willingness to look their best from now onwards. Gardeners need to keep up with them because I have only mentioned a sample of many.

مكتبة الأصيل

TRAVEL



Rescue mission: from left, a German glider lands in the Abruzzi during attempts to rescue Mussolini who, in overcoat and black hat, is eventually led across the plateau by his rescuers to an aircraft which is preparing for take-off

High adventure on the Highway of Sheep

Leslie Gardiner risks upsetting a taxi driver by setting off on foot as he travels the winding trail through the Italian Abruzzi region

The taxi driver who collected me from the hotel was left baffled by my tale, even though he lived locally. I had told him how Mussolini had been plucked from these very Apennine slopes in a daring rescue more than 50 years ago. "I know we were involved in a serious war at the time," he said. Il Duce had once been resident at the old-fashioned chalet-type hotel that stands with the metal-domed observatory and tiny black chapel at the top of the new *funivia* (cableway), formerly the precarious funicular. I had asked to stay in his old room but the manager could not remember which it was. In July 1943, when Mussolini fell, he was smuggled to this rough-and-ready safe house. No fear of a rescue attempt here. They reckoned without Otto Skorzeny, a daredevil SS man. He landed in a glider on the boulder-strewn slope, bundled Mussolini into his overcoat and into the passenger seat of a two-seater Storch aircraft which arrived later. The pilot then drove the aircraft over the precipice edge, counting on the up-draught from the valley to give him flying speed. It did. I was visiting in summertime - patchy snow on the plateau, lots of marsh flowers and gentians, a few

sheep. After a flourish of hairpin bends I asked the taxi driver to let me out. The driver's reluctance to let me go typifies the diffident good nature of the Abruzzi people. "I haven't offended you? If I've said something indiscreet..." "No, you've been most kind. I'm going to walk the Highway of the Sheep." "To walk? On foot? *Signore*, no one walks, not even the *contadini*." Since the economic miracle, *paesanti* (peasants) are all *contadini* (farmers.) The Highway of the Sheep - or *tratturo* - much of which can still be followed on foot, runs for about 100 miles across the Abruzzi region, from the Gran Sasso (at 2914m, the culminating mass of the Apennines) to Lucera and the plains of Puglia. In more go-ahead regions it would be a heritage trail. No sheep travel it these days, they all go along the *autostrada* in trucks, but the sacred vein of an annual migration of flocks is not forgotten. The oldest inhabitants weep into their bowls of red wine as they talk of that venerable thoroughfare, broad and furrowed, protected against builders or cultivators by laws of Frederick Hohenstaufen, winding from the high pastures to the winter grazing grounds. When summer heat relaxed, the villagers awaited the armies of



sheep and dogs, each company led by its shepherd, fertilising the stony ground as they passed. "A scene for a poet," one man said. "On the flocks hurried by on an October evening, some with snow and frozen mud already hanging from their fleeces." Anne Macdonnell, author of this century's best book on central Italy (*In the Abruzzi*, 1908), lay at her lodging and listened with an eerie thrill to the ceaseless pattering of hoofs and strange low calls in the dark. "Some echo of an earlier world was in the sound... as of Man the wanderer, passing to his restless destiny." Some mystery and romance has gone out of Abruzzi, but not all. Abruzzo, singular, is the region's official name; the Abruzzi, plural, is a nod to the four autonomous prov-

inces which form it - Aquila, Teramo, Pescara and Chieti - and is equally acceptable. A country designed for the young and active is still populated by the old, but they are a different breed. Along the *tratturo* they ride mules or bicycles and even the mules belong to a more polished class of animal. Some riders wear panama hats, dating perhaps from 1928, when Mussolini, to revive a dying industry, ordered every adult male to buy one. I see farm girls in sunglasses. Old forms of salutation survive. "Inglese? Bravo. Why on foot?" A muleteer with a girl riding pillion sings loudly with his head thrown back. How many have gone to work on the new motorways (one of which, the A24 Roma-Adriatica, traverses the Gran Sasso in a 17km

tunnel). I ask? How many to the ski villages of Pescasseroli, Rivisondoli, Roccaraso and the Maiella? To the resorts such as Roseto d'Abruzzo, Francavilla and a dozen more, mushrooming along the coast? "None." He grins through broken teeth. "Our people are not fond of work. Idleness is a tradition with us." It descends from the *tratturo*, which is obscure in places - you could trace it better from the air - to a *strada bianca*, one of those lime-dusted country lanes from which you emerge looking as though you have been rolled in flour. My staging-post is Sulmona, birthplace of Ovid. But I am not here for its well-preserved 13th century aqueduct, nor the sweet shops which supply Italy with *confetti* (sugared almonds, essential for baptismal and marriage ceremonies). I am here for its hotel and bus station. I am bound for Scanno. I had once taken the train, hoping to combine seeing Scanno and Cocullo, scene of the astonishing snake festival on the first Thursday of May, but the train crawls through canyons and scales peaks, taking five hours to travel between places 13 miles apart.

Country people saunter through tunnels, confident that the *brucco* (caterpillar) as they call it will not overtake them. And although the *brucco* smiles at gradients and has a passion for labyrinthine tunnels, it rarely manages to reach the villages themselves. Scanno, I recall, is 23km from Scanno station. You must be in good time for the Saturday market bus from Sulmona. It is packed with aged mountain folk, all sighing and complaining, and all dressed in black - the battle-dress of doom, as Tucci calls it. Their bundles contain wooden shoes, live chickens and kitchenware. Pretoro, an Abruzzo township, produces implements which all central Italy comes to buy; a *chitarra* for slicing pasta; a mallet for tenderising meats; a bladed paddle for stirring polenta, the *contadino's* staple diet; a notched ravioli template. Like the train, the bus proceeds by fits and starts, often taking two bites at a hand. We pass trout streams, limestone crags and needles' eyes which widen out on the emerald Scanno lake, with the small town itself sited on an outcrop of rock above the clashing Sagittario torrent. The scenery enchants but the veteran beside me says sourly: "Scenery does not compensate for the

twists and turns of this route." Scanno has an air of long-established prosperity. The shepherds of Scanno were aristocrats - having sold their flocks in the south, they brought Turkish captives home to teach their wives Oriental weaving and embroidery. Hence the textile workshops, the baroque town houses on stepped streets under blue and grey pan-tiles, the matrons of Scanno, proud and upright, flaunting a dignified local costume. On Sundays they still do. Conservative Abruzzo has a proverb: better a hen than a tourist. Scanno, however, has developed leisure industries. You find modern hotels, good family restaurants, winter sports. The Abruzzo National Park next door is a vast mountainous garden of gladioli, lilies, irises and orchids and a stamping ground of wolves, chamois and bears. Nowhere in Italy do you have a better chance of seeing brown bears in the wild. I chose a modest lodging. The padrone had a bed but no food. "Don't waste money on dinner," he says. "Go and taste the mountain air, it's delicious at this season. It is a poor relief from hours of travelling to sit at table and then at television in a stuffy hotel."

HOLIDAYS & TRAVEL

NEW ZEALAND

Give sloping off on your own New Meaning

01494 875757

...New Zealand

CRUISING

EXPLORE THE FJORDS OF NORWAY

19TH JUNE - 3RD JULY

Sailing from Edinburgh

What better way to experience the "world's most beautiful coastline" than aboard the luxury cruise ship *Minerva*. With a team of experts on hand to help you appreciate the flora, fauna, geography, history and music of this land of contrasts.

- Newly built luxury cruise ship
- Calling in at Fair Isle, Murmansk, Tromsø and Bergen
- Catch the midnight sun at Honningsvåg
- Lechures and shore excursions
- On board entertainment
- Relaxed, informal atmosphere
- Excellent cuisine

The National Trust for Scotland
5 Charlotte Square, Edinburgh EH2 4DU

Prices from £1500 - £4000 per person. Call today for reservations and details.

0131 243 9333/4

HOTELS

Executive Hotel Reservations

Up to 50% off 4 & 5 STAR HOTELS CENTRAL LONDON

£35.00

ASK WORLDWIDE 0171-935 1335

FIJI

VATULELE ISLAND RESORT

A PRIVATE PACIFIC ISLAND PARADISE BEHIND A PALM FRINGED LAGOON FOR IS DISCERNING COUPLES.

7 NIGHTS STAY INCLUDING FLIGHTS ACCOMMODATION, ALL MEALS AND DRINKS FROM £2390 PER PERSON.

TEL: 01284 762255 FAX: 01284 763001

FRANCE

LUXURY FRANCE

Elegant Resorts of Europe brochure 01 244 897 777

IRELAND

LUXURY IRELAND

IN OUR 124 PAGE

Elegant Resorts of Europe brochure

01 244 897 777

ABTA V1712 ATOL 2885

OVERSEAS TRAVEL

Holland America

CRUISE CLUB

0990-673394

YACHTING

PROVENCE

Selection of beautiful Chateaux & Villas to rent throughout the South of France all with pools & maid service.

FRENCH CHAPTERS 0171 723 0722

SCOTLAND

CROFTS & CASTLES

Traditional & historic holiday properties throughout Scotland for parties of 2 to 22. Fishing, shooting, golf & catering. Colour brochure

Tel +44 18 35 87 07 44 Fax +44 18 35 87 07 11

ITALY

LUXURY ITALY

IN OUR 124 PAGE

Elegant Resorts of Europe brochure

01 244 897 777

ABTA V1712 ATOL 2885

VILLAS

The Blue Book

The definitive guide to villas in the Algarve

Cote d'Azur and Marbella

PALMER PARKER

All have pools, saunas, two cars and some have tennis courts

01494 812002

GOLF

GOLF FOR BEGINNERS

Make a start and learn to play in lovely Borders area of Scotland. Professional instruction and accompanied games on several local courses.

Enjoy your stay in country house as family guest. Weekly courses starting May.

(01835) 850769

SPAIN

ANDALUCIA spectacular property nr Guadix. Sleeps 10, mountain view beautiful garden & swim pool. Avail July & Aug Contact Spanish Chapters for this and other beautiful properties to rent 0171 722 0722

PORTUGAL

ALGARVE, charming property with swimming pool & tennis court 20 mins from beach. Sleeps 14. Avail July & Aug Contact Portuguese Chapters for this and other beautiful properties to rent 0171 722 0722

SAFARI FEATURE

MARCH 16

Discover the magic and adventure of a safari with the Weekend FT and get the lion's share of the bookings this year.

Our top Journalists will explore Kenya, Botswana, Namibia, Zimbabwe and South Africa.

To find out more or to reserve your space, avoid the stampede contact:

Emma Lloyd 0171 873 3218
Dominique Moseley 0171 873 3576 Fax 0171 873 3098

FLIGHTS

O frequent flyer TRAVEL CLUB

ALL DESTINATIONS EX LONDON

BARCELONA	£220
BIRMINGHAM	£220
BUDAPEST	£220
DUBLIN	£220
GENOVA	£220
HAMBURG	£220
HELSINKI	£220
ISTANBUL	£220
JAKARTA	£220
MANAMA	£220
MADRID	£220
MILAN	£220
MUNICH	£220
NEW YORK	£220
PARIS	£220
ROME	£220
SINGAPORE	£220
TOKYO	£220

0171 493 0021

TUSCANY, UMBRIA & COASTAL REGIONS IN ITALY

We have some of the finest private villas with swimming pools in Tuscany and Umbria. The Amalfi Coast, Sardinia, Capri and the Island of Pantelleria just off the African Coast are some of the other regions also available. Apartments in Venice, Florence and Roma as well. Excellent knowledge and service as we only deal directly with the owners. For our superb colour brochure please phone.

TUSCANY NOW 0171 272 5489.

TUSCAN COAST, Monte Argentario, almost an island. House, built into the rocks above an unspoiled beach. 90 mins north of Rome. Tel: 0187 987 9819 Fax: 0187 747 9543

TUSCANY

villas and apartments with pools to rent throughout Tuscany & Umbria. Also apartments in Venice.

ITALIAN CHAPTERS 0171 722 9560.

CZECH REPUBLIC

An unrivalled choice of hotels & apartments in Prague. Self-catering cottages, castle accommodation, mountains, lakes and spas. self-drive and coach tours.

Contact the Specialist CEDOK TRAVEL LTD 0171-839 4414

ALGARVE

Affordable coastal/country villas at direct rates inc Vale do Lobo, Quinta, Dunas. Also golf & health club breaks.

Owners Syndicate 0181 767 7926

USA

96 Olympic Games

- Accommodations close to events
- Individuals to large groups
- 1 Bedroom Apts to luxury estates

International Hosts '96

Sutton GROUP

London Office: Tel or Fax 0171 381 3590 E-Mail 102167.531@CompuServe.com

Aloha Golf - Marbella

Self-catering villa offering luxury accommodation, heated swimming pool and full membership of Aloha Golf Club for four golfers available for two weeks from Saturday 23rd March. £900. Full details 01785 484444

Whist care is taken to establish that our advertisers are bona fide, readers are strongly recommended to take their own precautions before entering into any agreement.

AFRICA

TANZANIA

Wake to the song of exotic birds, walk to the snows of Kilimanjaro, visit the Ruins of Stone Town, stroll the spice of Zanzibar and relax on the white sandy beaches of the Indian Ocean.

Please contact our 24-hour helpline to plan your tailor made holiday.

CORDIAL TOURS AND TRAVEL SERVICES

0171 493 0021

AFRICA

TANZANIA

Wake to the song of exotic birds, walk to the snows of Kilimanjaro, visit the Ruins of Stone Town, stroll the spice of Zanzibar and relax on the white sandy beaches of the Indian Ocean.

Please contact our 24-hour helpline to plan your tailor made holiday.

CORDIAL TOURS AND TRAVEL SERVICES

0171 493 0021

مكتبة الترحيل

TRAVEL

Seeing is believing the terracotta men

Adam Hopkins visits a remarkable excavation site in China, outside one of the world's most polluted cities

We were all waiting like children for the circus, or like pilgrims in St Peter's Square in Rome for the Pope to appear. For this was the day of our visit to the Terracotta Warriors of X'ian and the bus would soon be here to take us.

We were a party of 16, all of us on a first tour of China. For some a visit to the warriors had been an aspiration of two decades, since the first news that an army of make-believe soldiers in terracotta - about 6,000 of them - had been discovered, drawn up in a pit, in military formation, a mile from the tomb of the first emperor of all China.

It was clear that their job, in imagination at least, had been to protect the dead emperor from dangers in the underworld - a bid, maybe symbolic, maybe seriously intended, for imperial immortality. The warriors were undoubtedly one of the greatest finds of the 20th century.

The emperor's tomb itself has never been dug. It is a vast artificial hill and would need a roof before it could be excavated, apparently a technical impossibility. But it may be that there are more warriors and other important artefacts, which are easier to reach, in the areas outside the tomb.

Even for those of us who had not pondered these matters, it was clear the visit was to be a highlight on our travels.

After all, there cannot be many people who have not seen at least a picture of those strange terracotta men of war, bearded or moustachioed, the features of each one distinct, armour and hairstyle according to military rank, generals and private soldiers, archers, charioteers and swordsmen, who had lurked so long beneath the surface of the earth - more than 2,000 years, in fact. And now we were to see them ourselves.

Already we had received a few shocks to add piquancy to the forthcoming visit.

Beijing, our starting point, had turned out to be both friendly - unexpected - and a feast of commercialism near the tourist hotspots, with vendors frantic to get rid of copies of Mao's Little Red Book, presumably remaindered.

But by and large the mighty city of Beijing had been a huge success for us, far more life-giving than the opposite, and confirming one important preconception - those hordes of bicycles really do exist.

X'ian, on the other hand, looked grey and dour as we rolled in from the airport



X'ian's city wall and gate

Adam Hopkins

across a flat and untempting landscape and one which seemed like an adventure playground for the larger kind of power station. The people looked grey, too, their faces closed against the wind and world.

Smoke poured into the air and even "Jennifer", the European name adopted by our guide - supplied by the X'ian branch of Cits, the inescapable Chinese International Travel Service - was moved to comment in slightly doubtful tones, "Here the scenery is only so-so," she said, "but we have a lot of antiques." Then she added, unexpectedly, "Also X'ian is one of the 10 most polluted cities on earth."

As for the antiques, X'ian ought to have a few, for it was not only the capital of the first empire to unify the warring Chinese states, just at the time when the Roman empire was getting itself together; it remained the top Chinese city, one of the most powerful and populous on earth, for 1,000 years, right up to the end of the Tang dynasty in the 9th century A.D. Even after that it was an important place.

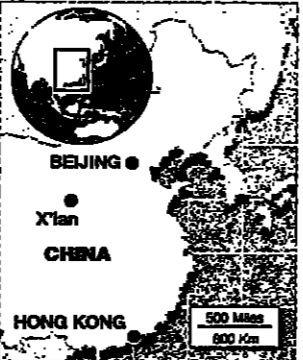
My guide book told me that it had magnificent pagodas from the 7th and 8th centuries, tall towers and a complete set of walls from the Ming dynasty, in the 1700s.

Meanwhile, the Terracotta Warriors stood in their pit, or rather pits, about 30km from the city at a spot made propitious by the conjunction of the northern edge of the Qiling Mountains (Qin pronounced as "chin") and the life-giving River Wei (pronounced wee), and a short way downstream turning into the Yellow River. All of this had to be pretty special, not just the Terracotta Warriors.

So far so good the only good thing we had seen on entry to X'ian was the parking area for

a first class football match, in progress as we passed. Thousands of bicycles stood side by side, occupying a fraction of the space required for a western car park at a big sporting event.

Things soon got better, despite a warning from Jennifer that it might not be a good idea to walk about after dark. I



disobeyed and found the bigger streets round our hotel no place for chat - so much so that I began to rest my hand protectively on top of my money belt. But I had a lot of fun walking down a little market lane behind, full of stalls selling fatty pork and offal, with live carp in shallow tanks. At tiny pavement restaurants people were eating noodles, the staple food of the province of Shaanxi.

There were a few folk down the lane who were ready with a simple joke and smile and I stopped for a beer and my first pavement meal. It was delicious but at a special rip-off rate for tourists. The restaurateur shook me by the hand after accepting my ransom money, his hands as greasy as his cigarette.

So it was with mixed feelings about X'ian and its people that I waited with the group next morning to make the acquaintance of the warriors.

We began to get the idea some kilometres before we arrived, with brashly vulgar buildings gathering along the roadside and stalls of touristy knock-knacks. But nothing could have prepared us for what was to follow.

Our bus parked, the approach to the warriors in our case through a carpet shop, where a few salespersons beseeched us to part with sums of money. We pressed on bravely. The only backsliders were Doreen and Daisy, both from Barnsley, South Yorkshire, and Julie, from Essex by way of East Africa. They each had a keen eye for a bargain, and were not to be entirely trusted if there was a shopping opportunity about.

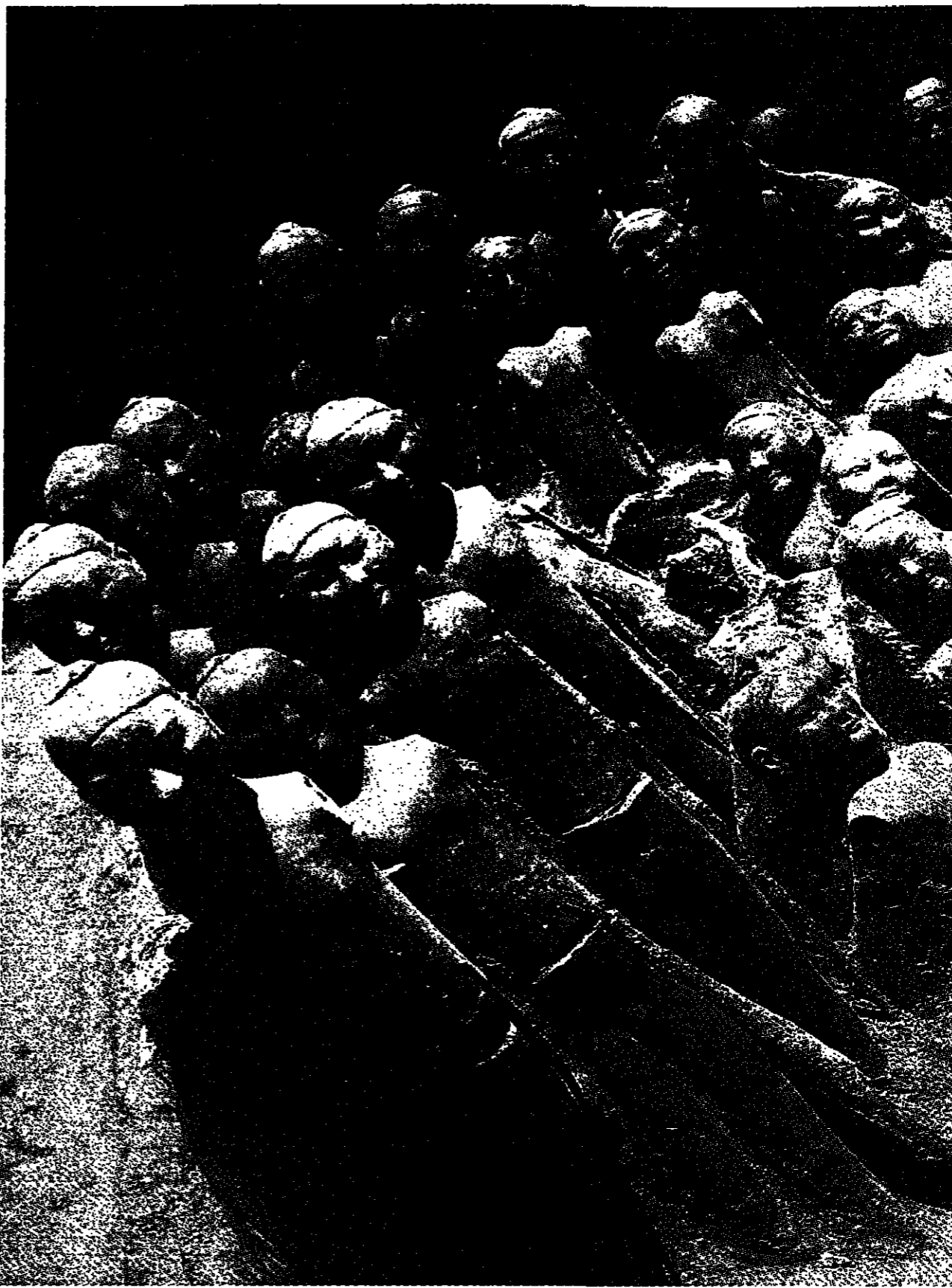
The carpet shop - I think I know why our bus had parked behind it - finally gave access to a central avenue wider than Pall Mall. On either side was an outdoor emporium selling postcards, rolls of film, sweet potatoes, clothing, jewellery, half-cured goatskins, pottery horses - replica of the real, unreal thing - and heavens knows what else. Vast outdoor restaurants with trestle tables offered vast quantities of noodles.

We strolled along this course, occasionally pausing for Doreen, Daisy and Julie, towards what looked like a vast aircraft hangar.

Before we entered we turned aside to watch a film at a new cinema in the round - extremely instructive, too, even if it had a touch of *Conan the Barbarian*, with warring riders charging round the circumference and many thousands of workers struggling to fashion the tomb of the emperor and the terracotta army. There was also a small museum showing the extraordinarily lovely bronze horses and chariots excavated from another nearby site in 1980.

But the warriors themselves, they were our deepest destination. In the end, the most important thing about them is simply that they are there, under the hangar roof, guarded by a uniformed figure marching up and down on a high dais. They look just as I had seen and imagined them, in long and complex columns in their several parallel pits, which look in turn like deeply sunken roads. They are both present and in a sense not present, since the mad enterprise that fashioned them is almost, but not absolutely, unimaginable.

The main pit contains the soldiers. Another, a short way off under another roof, contains what may have been the army headquarters. For here



The Terracotta Warriors of X'ian: one of the greatest finds of the 20th century

Natural Geographic

SEYCHELLES & KENYA

MARCO POLO
Seychelles & Kenya

8th November for 16 days
FREE 3 night stay in Mombasa
FREE 1 day safari in Kenya
FREE beach BBQ in Madagascar
was from £2128 pp NOW FROM £1569
for immediate reservations call:
THE CRUISE LINE • 01273 835252

SAFARIS

Tim Best Travel

A Safari in East or Southern Africa with an Indian Ocean Island Holiday
SEYCHELLES, MAURITIUS, ZANZIBAR, KIWAYU, BENGUEIRA, MAFIA
Tel: 0171 591 0300
Fax: 0171 591 0301
68 Old Brompton Road, London SW7 3LQ

CHINA

China

A collection of classic cars of 11 to 21 seats from £1150, created to include sports of new and unusual destinations.
Tailor-made itineraries, Hong Kong packages and over 20 tour extensions, including the Far East and the Eastern & Oriental Express.
For comprehensive travel arrangements in China, talk to the experts, we're at home in the Orient.
24 hrs brochure hotline 01233 211818
Fax: 01233 211818
CHINA TRAVEL SERVICE
Tel: 0171-424 9711

TAILORMADE SAFARIS

ZIMBABWE, BOTSWANA, NAMIBIA, ZAMBIA, KENYA, TANZANIA & SOUTH AFRICA
Luxurious remote lodges, walking, canoeing, fishing and wildlife safaris with the very best guides. Superior wildlife, adventure and comfort. Call us to create your own safari.
Phone us on Tel: (01604) 28979 Fax: 31628
AFRICA EXCLUSIVE
Hannover House, 40 Palmerston Rd, Northampton, NN1 6EP

MAURITIUS

Mauritius LE TOUSSROK & LE ST GERAN

Superb beaches, a huge range of resort facilities, complimentary water-sports and the highest standards of service and cuisine
12 nights from £2575 p.p. | 12 nights from £3020 p.p.
at Le Toussrok | at Le St. Geran
Including a complimentary one way Business Class upgrade with Air Mauritius until 31 March.
Elegant Resorts
01 244 897 888
ATOL 2845 ASTA V1712

Cruising Feature

If you missed last week's cruising feature, ensure that a copy is sent to you, by contacting:
Emma Lloyd
0171 873 3218
Dominique Moseley
0171 873 3576
Fax: 0171 873 3098

A hotel is all you need

Recharge your batteries in luxury, says Michael Thompson-Noel



Pleasure playground: Ile aux Cerfs

Some people bridle at the phrase "hotel holiday", because it affronts them. They believe holidays should be packed with incident or with cultural excitement: temples, bongo dancing, peculiar rites and practices - anything, so long as it is uplifting. Holidays, they believe, help to broaden the mind.

But there is an alternative point of view, especially among sybarites. Sybarites believe that the way to broaden the mind is to stay at home, whereas the point of holidays is to lounge about in luxury and recharge the battery.

What we have here is not really a dichotomy. Few sybarites believe there is anything wrong with sight-seeing, if that is what turns you on. Yet then neither is there anything to be said against the opposite sort of holiday: the do-nothing holiday, especially if you have been lucky enough to find your way to an outstanding hotel.

Not surprisingly, a really good hotel is the *sine qua non* of a hotel holiday, which can be defined as a holiday spent almost entirely - or even entirely - within the confines (gardens, grounds, beach) of your hotel.

Peculiar? Not at all, although it is generally true that a hotel holiday comes fully into its own if you are holidaying in the tropics, particularly on an island. You do not have to be jaded to discover that tropical islands are remarkably similar, whether you have visited five or 50.

I have visited 60. It may even be 70. Northern hemisphere. Southern hemisphere. Small ones. Big ones. And always the same deal: turquoise sea; coral-girt beaches; coconuts; pelicans (various sub-species); mountains (sometimes); a dry season and a wet season, or maybe two of each; and some natives, who often resent us, however well they hide it, because we are rubbish - ugly, tourist rubbish. There really isn't much culture on a tropical island, unless you count basket-weaving, which I tend to not.

The attractions of a hotel holiday first pressed themselves on me in Jamaica. I was not happy in Jamaica. A large and beautiful (4,411 square miles, with dramatic mountains and valleys); perhaps the loveliest island

in the East or West Indies. Yet I found it sinister. I was really sorry about the poverty of the people. And I did not like the hustling, which can be extremely threatening.

But Jamaica has some first-rate hotels. I stayed in two of them, Jamaica Inn and Plantation Inn, both in Ocho Rios, which specialised in old-world graciousness and were such good hosts that it really wasn't necessary to venture outside their gates, except for specific trips.

Some years later, loading at Bali's Grand Hyatt resort, one of a number of well-planned and expensively equipped resort-hotels that Bali now possesses, I realised that what the Grand Hyatt's prosperous and stressed-out western guests were really paying for was Bali's tropical climate, plus a luxurious, late 20th century version of Balinese hospital-

ity as developed and proffered by Hyatt.

The guests knew exactly what they wanted of Bali - climate, beach, serenity and top-class service - and were happily paying for it. The stuff outside the gates - temples, rice terraces, willing beach-boys - was just local colour; amusing enough, if you wanted some, but not essential.

Another island that specialises in hotel holidays is Mauritius: fairly large, though smaller than Jamaica or Bali. Mauritius is usually described as a melting pot of cultures - Indian, French, Creole, Moslem, Chinese - and the locals are a treat. In addition, it is famous for restricting tourist numbers. It pursues quality, not quantity, which has given it a reputation for lofty standards of service and accommodation.

If you want, you can hire a 4-wheel-

drive vehicle for about £385 a week, and fit about merrily. (You can ignore Fort Louis, one of the dreariest capitals I ever set eyes on.)

I had forgotten my UK driving licence, so was unable to skid around. But lack of a vehicle did not matter. I went for walks. Patrolled the beach. Insinuated myself into people's affairs. I could feel my mind broadening.

Apart from the Royal Palm hotel, which is just outside fashionable Grand Baie, so that guests can make use of nearby restaurants and nightclubs, most of the best hotels in Mauritius are secluded. Guests stay close to them all day long.

I stayed at Le Toussrok and Le Saint Geran. Both are managed by Sol Kerzner's Sun International, which pays great attention to the location of its hotels. Its Palace of the Lost City,

at Sun City in Bophuthatswana, South Africa, ranks as one of the finest spots for hotel holiday.

There is a free shuttle service between Le Toussrok and Le Saint Geran, and you can have your meals at either. I preferred Le Toussrok, because it was quieter, but you might prefer the other one, which happens to be more expensive.

Le Toussrok's location, almost on its own island, is faultless, while a short distance away two other small islands, Ile aux Cerfs and Ile aux Mangueries, reached by water taxi, serve as playgrounds. Ile aux Cerfs has a beach bar, two informal restaurants and a free watersports centre.

If you did not know, you would imagine that Le Toussrok had looked the way it does for quite some time. In fact, it has been almost completely rebuilt. Kerzner demolished almost 70 per cent of the public areas and created a new beach and a lagoon. All told, the hotel says it has five private beaches and coves.

The interior designer was James Carry of Wilson and Associates, an American firm which also designed the magnificent interiors at the Palace of the Lost City. Carry says: "Tropical islands are about beaches, sun, sky and sea. Wherever you stand or sit in Le Toussrok, you have a view of the ocean. We wanted to create a feel of escapism and romance to complement the remarkable surroundings."

In that, Kerzner's architects and designers succeeded superbly. These days, the tropics have hundreds of excellent beach-side hotels in tucked-away locations. Connoisseurs would place Le Toussrok high up the list.

Michael Thompson-Noel's trip was arranged by *Elegant Resorts: The Old Palace, Little St John's St, Chester CH1 1RB, tel: 01244-937011. The firm's 1996 Luxury Holidays of the World brochure features the non-Caribbean tropics.*
Depending on season, seven nights at Le Toussrok cost £1,640-£2,150 a person and Le Saint Geran £1,755-£2,390 a person, including return flights, private transfers and half board. *Elegant Resorts* says that British Airways' flight schedules lend themselves to two-centre holidays in Mauritius and the Seychelles.

OUTDOORS

Skiing / Arnie Wilson

If you can't beat them, join them

It was the moment I had dreaded for years. After years of fighting the tendency, I was about to become one of THEM. A shredder. It was cross-over time - a lifelong skier surrendering to the other side.

When snowboarders first appeared in my peripheral vision, I had dismissed them as a minor and irrelevant irritation. I never dreamt that one day (today) I would be forced to join them.

As boarders proliferated on slopes once reserved for skiers, they became the enemy. As they launched themselves like missiles from the trees, forcing me to avoid them, an element of paranoia crept into my days on the slopes.

Twice in the French Alps, snowboarders knocked me off my skis while I was standing still, admiring the view. In Whistler, British Columbia, two boarders leapt from a cliff into my path, whistling past my head. In Crested Butte, Colorado, I was cruising down Poverty Gulch when a snowboarder cut me up. I was blamed for the resulting collision.

Then, early last winter in Mammoth, California, I found myself the only skier in a lift-line of snowboarders. The enemy was all around. By now some of my closest friends were starting to defect. It was clear that I could not beat them. I would have to join them.

This winter at Aspen, I took the agonising decision to leave my faithful Salomon skis in the locker room at the Ritz Carlton, and disconsolately - for the first time in my life - picked up a snowboard.

Cliff Ahumada, my instructor - a seriously good boarder often photographed for snowboard magazines - seemed human enough. I, on the other hand, felt like something from another planet as I struggled off the Summit Express quad chair at Buttermilk for my baptism on board.

It seemed all wrong. Here I was, skiing on Aspen's beginner slopes, feeling all the anxiety of a novice skier I had last felt as a 15-year-old in Andermatt. But now it was worse, because I was no longer, by any stretch of the imagination, a supple-bodied youth.

There was one consolation. I was allowed to keep my ski poles - and a certain amount of dignity.

The Boone Lennon "quick carve" technique is aimed specifically at people who take up snowboarding from a background of proficient skiing. Skiers who switch to snowboarding tend to have to endure a series of painful crashes during the first day or two, followed by an encouragingly fast learning curve.

Using poles produces a strange hybrid of boarding and skiing - ski-boarding - designed to make the first day or two less violent, thus encouraging skiers to keep trying.

Not that you need to throw your poles away when you have learned. Boone Lennon, a former US national team coach, uses them regularly, and according to Snowboard Life magazine, he can "carve like nobody's business".

To begin with, I could hardly move, let alone carve. With my feet locked at 65 degrees on to

my Rossignol race board with plate bindings (much closer to the skiing experience than the ubiquitous freestyle board), I set off gingerly for my first traverse. My legs began to ache almost immediately. "You're using different muscles - or at least different parts of the muscles you use for skiing," explained Cliff.

More small traverses, punctuated by gentle falls. The poles were working. Even so, I

at about the same rate as me. This could be embarrassing. They were bound to see me fall. More images of my novice days on skis flashed before me. I waited, muscles aching, until they skied off, before trying my boarding breakthrough.

It was not pretty to watch, but it worked. At the end of one traverse I somehow managed to jerk my board from one edge to the other, nervously achieving a change of direction.

I had made my first turn on a snowboard. I tried it again. Soon the turns were coming faster. After an hour, I was able to turn both ways on a gentle slope, linking as many as a dozen turns together. And I had had only one bruising fall. It was time to stop while I was winning.

The poles had been the secret of my limited success. Without them I would have been black and blue.

The quick carve method is targeted at strong skiers who can apply the angulation and edge control they have learned from skiing to boarding. Lennon claims students using this method can learn to carve turns in two hours with few falls.

I am no snowboarder yet. But at least I have now tried it. Unlike some, I have no plans to switch allegiance and am now returning to my beloved skis. So will I flirt with a board again? We shall see.

Arnie Wilson's "ski-board" lesson was arranged by Stefan Kaehin's Parabolic Shop, 447 East Cooper Avenue, Aspen. His visit to Colorado was arranged by Ski The American Dream, 0181-532 1201.



The enemy: 'As boarders launched themselves from the trees, an element of paranoia crept into my days on the slopes'

It seemed all wrong. Here I was, on Aspen's beginner slopes, feeling all the anxiety of a novice

It seemed all wrong. Here I was, on Aspen's beginner slopes, feeling all the anxiety of a novice

Motoring / Stuart Marshall

Indulgence in a multi-coloured coat

The VW Polo Harlequin had a yellow front bumper, a green back one, a red roof and green bonnet; blue front wings, yellow front and green rear doors; a yellow tailgate and red door sills.

What would you have made of it? Had the computer thrown a wobbly and sent all the wrong bits down the assembly line? Perhaps a keen do-it-yourself owner had rolled it over and raided scrap yards to rebuild it. Or was it owned by a paint company which made it do double duty as a rep's car and mobile showpiece?

As it stood in my drive I found it embarrassing. I was embarrassed as one might feel on an early morning business train to London, dressed as Coco the Clown, ready for a fancy dress party that evening.

my car. I'm only driving it because I have to.

While I was making my mind up the grandchildren arrived. Sophie, rising six, thought the multi-coloured Polo was "great" and "Please can you pick us up from school in it?"

Four-year-old Thomas saw it in the twilight and announced, wide-eyed: "Grandpa, it's glowing." A friend, whose school-age daughter has just become mobile in an aged Austin Metro, knew she would think the VW was the most beautiful car in the world.

have lusted after a deux chevaux with a Knickerbocker Glory paint job are natural buyers.

I doubt that anyone over 30 would want to be seen dead in one, although I admit the Harlequin does have an upside. If you had forgotten where you had left it in an off-airport car park, you would probably spot it from several thousand feet up when you flew back. And a car thief would have to be pretty desperate to think of stealing anything so instantly recognisable.

Under its many-coloured coat, the Harlequin is a normal Polo 1.4-litre CL, 5-door hatchback which makes it, arguably, the best supermini-type car money can buy.

4,700rpm. Although it spins sulkily up to 5,000rpm and more, its maximum torque (the point at which it pulls hardest) is developed at 3,200rpm.

As standard gearing is low at 18.3mph/29.5kph per 1,000rpm

in fifth, the Polo's delicately light gearbox and clutch are little used on a main road journey.

The engine is so quiet at motorway speeds that the main source of noise is the

rumble and hiss of the low profile (55 series) tyres. This is never oppressive; nor do the tyres thump or bang excessively on bad roads. They just provide quick steering response and lots of cornering

grip, and power assistance takes all the effort out of parking.

Petrol consumption should average 44mpg (6.42l/100km) on journeys. Only optimists (and investigative television

programmes) seriously expect much better than 30mpg (9.4l/100km) from any small petrol-engined car if it spends most of its life on short trips in heavy traffic with plenty of cold starts.

In the recent bitter weather, the heater was ferociously effective.

The Harlequin has been on sale in Germany with a choice of several engines since its launch at the Frankfurt Show last autumn. In Britain, where it will be available in a few weeks, there will only be one model, the 1.4-litre CL.

List price is expected to be less than £11,000, which includes heated and power adjusted outside mirrors, electric front windows, alloy wheels, remotely controlled central locking with engine immobiliser and a steering wheel bound in blue leather.

When German buyers order a Harlequin, they know it will be yellow, red, blue and green but have no idea which part will be which colour when it arrives in 10 weeks. VW (GB) says that is all part of the fun and plans to do the same in Britain.



Volkswagen Polo Harlequin: targeted at the young and trendy

Country Notes / M.I.L. Roberts

That damned, elusive car mouse

During the summer a mouse took up residence in my car. Its presence was discovered when I chanced to take a newish AA book out of the glove compartment and saw that it had been chewed by small teeth.

Closer inspection revealed that a number of small packets of biscuits, left over from a children's outing, had also been demolished. Small black droppings gave a clue as to the culprit.

But, what sort of mouse lives in a car? Reference books on British mammals list numerous shrews and voles, two types of rats, plus harvest mice, field mice, dormice and house mice, but make no reference to car mice.

It had probably got into the vehicle the previous week, either when some boxes of old clothes had been collected from a neighbour's out-house and delivered to a charity shop or when bales of hay had been collected from a local farmer.

any school run/shopping car ever gets.

I then waited to see what happened. The next day brought an answer: the mouse was still in residence.

In a modern car there are probably not that many places where a mouse can hide and also hope to survive daily journeys to and from school and the shops, without it either being fried or frozen to death. But my car was a distinctly elderly BMW converted from a saloon car into an estate car by a firm of coachbuilders.

This made for an interesting and unusual vehicle with not a few double-skinned sections of bodywork, within which there were obvious possibilities for a resourceful mouse to find a good hidey-hole.

I briefly wondered whether BMW's impressive workshop manual might include any references to rodent control in their vehicles - but dismissed that thought and set about trying to catch the animal.

So far as I could make out the mouse was living on fragments of potato crisp, biscuit crumbs and the poppy

seeds that fall off bread rolls and which, in time, had got jammed into nooks and crannies and down the sides of carpets. When it got bored, it turned to shredding the AA book.

To end its nightly capers I took to setting traps around the car in places which the mouse seemed to favour: the glove compartment, the dashboard shelf, the spare wheel-well and so on. To tempt it, traps were baited with bread, cheese, walnuts and pony nuts - the latter is always a winner with our

stable mice - but the car mouse ignored the lot. It then struck me that the mouse might actually live in the garage and merely break into the car at night so, for several nights, the BMW was parked outside the front door: the mouse did live in the car.

As Baroness Orczy wrote of *The Scarlet Pimpernel*: "They seek him here, they seek him there..." For nearly a month the car mouse survived and probably thrived. It was not until the car was parked all day in a sizzling hot car park that it eventually quit. I say quit, because there were none of those strange smells, as when a mouse dies under the floorboards or gets crushed between the springs of a sofa. I was happy to see the back of it but did feel a grudging respect for the little wretch. I wonder whose car it went into after leaving mine?



CLASSIC

AUCTION of

ATTRACTIVE REGISTRATIONS

by direction of the Secretary of State for Transport

FRIDAY MARCH 1ST

at

THE CONFERENCE FORUM,
THE SEDGWICK CENTRE, LONDON E1 8DX
11.00 AM

THE SALE WILL COMPRISE:

GI LDS	NI CRX	IO TUS	SAR IS
1 AD	1 EG	1 FK	1 LT
1 AP	1 EJ	F355 GTS	POR 911T
ASL 1	1 EK	L1 LW	1 PV
1 CA	1 EL	L1 DVA	1 RAV
1 CED	1 EM	1 GW	512 M
1 CK	1 EP	1 HN	NSX 1
1 CN	1 ER	1 HT	N1 COS
1 CO	1 ES	JNS 1	N1 NJA
1 CW	1 ET	1 KT	N1 VEN
1 DA	1 EW	1 LC	N1 XON
DDS 1	1 EX	1 LD	1 OS
DNS 1	1 FA	1 LE	1 OT
1 ED	1 FE	1 LN	1 PA
		1 LK	1 PN
		1 LT	1 TY

ENTRY TO THE SALE BY CATALOGUE ONLY - PRICE £7 (ADMITTS TWO). TO ORDER A CATALOGUE OR FOR FURTHER INFORMATION ON THIS SALE AND HOW TO BID BY POST OR PHONE PLEASE TELEPHONE

0171 228 2000
(9 am - 6 pm and 24 hr answer phone service)

The DVA reserves the right to withdraw any of these registrations before the sale.

81 Westside, London SW4 9AY Tel: 0171 228 8000 Fax: 0171 585 0830

BROOKS
SPECIALIST AUCTIONEERS AND VALUERS

MOTORS

MITSUBISHI SHOGUN LWB AUTO 24V
Fully loaded, Silver/Grey, Full leather interior, 1996 (M) Low Mileage Car, new 128k. Sale for £28,990.00 o.n.o. Tel: 0117 980 4267 M&M Motors

مکان الراجحي

هنا آمنه لأصل

FOOD AND DRINK

Wine / Jancis Robinson

Chiantishire - such a boar

The Tuscan landscape, which has for centuries provided northern European holidaymakers with vistas more or less unchanged since the Middle Ages, is about to change substantially.

Poggibonsi someone had to spend several nights on guard in their most valued vineyard as the grapes neared perfect ripeness.

claimed up to 40 per cent of the vines in a typical vineyard, one planted in a hurry in the 1960s as landowners rapidly switched from the haphazard, mixed-crop plantings of the sharecroppers, early self-sufficiency experts, to mechanised, specialised vineyards.



Tuscany: 80 per cent of Chianti Classico vineyards are now more than 30 years old. Yields are falling and the vines need to be replaced

Since the mezzadria was effectively outlawed in the 1960s, leading to a population drift to the cities, more of these buildings have been abandoned. Agrotourism is their new fate, as estates which once supported 100 to 200 people are now run by one family, a handful of labourers and their machines.

Buying good chianti Acem Benchmark of London SW8 (0171-753 1902) has a particularly interesting selection of individual Tuscan wines.

It is small wonder that so many Tuscan brows are knit over the relative merits of various vine densities, rootstocks and clones of their beloved Sangiovese grape.

The Apprentices, the restaurant attached to Butlers Wharf Chef School, has officially opened its doors after several weeks of trial runs.

Our objectives are threefold, says John Roberts, the school director. "First, to rectify the shortage of skilled restaurant staff; second to enhance the professional skills of those in the industry by bringing in the most respected chefs as teachers; and, finally, to encourage the young and unemployed into the industry on sponsored courses.

What we ate was variable in quality but undeniably generous. The leek and potato soup was as good as you would find anywhere; a goat's cheese tart had the right flavour but the wrong texture. A big bowl of

Eating Out / Nicholas Lander

Chefs' school needs some lessons

teaching kitchens would turn British chefs green with envy. The UK needs not just more, better trained chefs but it needs to reappraise and revalue the chef's profession and cast away the Victorian view that chefs are part of the "downstairs" staff.

The days leading up to Ash Wednesday were, by tradition, devoted to feasting before the 40-day Lenten fast imposed by the Church. On Collop Monday, cooks applied their skills to finishing up every last slice (or collop or escalope) of fresh meat in the larder.

Britain. The range of pancakes has also expanded to include an international assortment with a variety of textures and tastes. Richest and thinnest of all are England's own aptly named quire of paper, oozing cream and flavoured with fortified wine.

enjoy this vegetable pancake on its own or with a salad on the side. Ingredients: 200g leeks (washed and trimmed weight); 400g potatoes that are neither very floury nor very waxy (such as Estima, Désirée, Romano, Wiga); 3 tablespoons chopped fresh coriander leaves; a little olive oil and

small handful at a time, and squeeze the juices firmly from them. Heat another 1/4 tablespoon oil and a small hazelnut-size knob of butter in the sauté or frying pan. Draw the pan away from the heat and add half the potatoes. Spread them evenly over the pan base and press them down with a potato masher.

BORDEAUX 1995 An Exciting Prospect For information about our very special 'en primeur' offer which includes protection of your investment, please write to: ZENTIAN VINTNERS LIMITED

CLARETS AND VINTAGE PORTS WANTED Fine Wine Merchants Consultants Ltd London NW6 2LN

Seckford Wines WANTED VINTAGE PORT, CLARET & ROMANEE CONTI CASH PAID RICHARD HARVEY-JONES Tel: 01473 626472 Fax: 01473 626404

LEEK AND POTATO PANCAKE (serves up to 6) The boiled, grated and fried potato dish known as rosti has always struck me as one of the best things to have emerged from Switzerland.

LEEK AND POTATO PANCAKE (serves up to 6) The boiled, grated and fried potato dish known as rosti has always struck me as one of the best things to have emerged from Switzerland.

Socca (serves 3-4 for supper, more as a snack) Also known as farinata, this chick pea flour and olive oil batter is still to be found in Nice, in the south of France, as well as in Liguria, Piedmont and Sardinia - delicious testi-

SPECIAL OFFER Lunch for £7.50 and Dinner for £10 This offer entitles the FT reader to a two-course lunch for £7.50 and dinner for £10 at the BANGKOK BRASSERIE Valid from Saturday 10 February - Saturday 9 March 1996 To take part please pre-book your table quoting the FT. Bangkok Brasserie 48/49 St James's Street, SW1 Tel: 0171 629 7565

Robert Parker London March 28th Lunch & Dinner Lectures An unique opportunity for serious wine drinkers and investors... and perfect for corporate entertaining, with a table for 10 at the price of 9. Seating is very limited, so call 0171-727 6846 now for priority ticket application. John Armit Wines 5 Regency Square, 105 Lancaster Road, London W11 1QF. Fax: 0171-727 7133

MOTORS

BOOKS

Occupational hazards in France

Both industrial resistance and collaboration paid a post-war price, argues David Buchan

This book explodes the myth, perpetrated at the time of the Liberation, the purges and the post-war high point of communist influence, that French businessmen were nothing but a bunch of collaborators.

The authors paint in plenty of shades of grey between black-hat racketeers like Joseph Jolibois, a Jewish supplier of scrap metal and virtually everything else to the Germans - who almost escaped retribution by cosying up to the Paris police after the Liberation - and white-hat companies like Hispano-Suiza, which despite being in the aero-engine business managed to contribute almost nothing to the German war effort.

They explain how it was that during the 1940-44 occupation years, through a mixture of compulsion, threat, enticement and of course the organised collaboration of the Vichy regime, France came to send Germany half of its national output, with nearly 40 per cent of French men of working age working either in France or in

Germany for the Third Reich. Surprisingly the Germans, who had 300,000 troops in France for much of the war, used relatively little direct compulsion. Where they did, mainly in the arms, car, energy, cement, metal-working and press sectors, there was often little French companies could do to resist, except to completely shut down as some newspapers did. Lafarge found itself building airstrips for the Luftwaffe, just as its UK subsidiary was doing for the RAF.

But the German authorities requisitioned very few firms outright, while German business found it surprisingly hard to buy into French companies - except Jewish-run ones. The Vichy regime in fact opposed such takeovers and the German authorities did not insist. Thus the Michelin tyre group and St. Gobain glass group suc-

cessfully resisted pressure, backed with promises of scarce raw materials, to sell their subsidiaries in Germany and German-occupied countries.

"In the same way that the Germans relied on the (Vichy) government, with its administration and police, to run the country, so they relied very largely on French patrons to run industry", comment the authors. Clearly, many French bosses put company before country. But in doing so, they were not going against the popular mood which, remembering the mass unemployment of the 1930s, favoured a return to work after the 1940 defeat. Of course, the obsession of many bosses to preserve their companies' interests sometimes took a perverted form; a top manager of AFC, the precursor of Pechiney, even sought specific assurances that his company's

aluminium would end up in German weaponry and not be re-exported to AFC's "traditional clients" thereby queering the company's post-war markets.

Indeed the original 1940 armistice provision that

LES PATRONS SOUS L'OCCUPATION
by Renaud de Rochebrune and Jean-Claude Hazera
Editions Odile Jacob FF195, 874 pages

French industry should be forced to supply weapons to Germany was soon flouted by Vichy itself, which succumbed to German promises that in return it could retain one in every three warplanes made in France. Indeed Vichy became

more and more involved in organising industrial collaboration - and also in sending workers to Germany - always in the vain hope that this would give it more clout with Berlin in getting French prisoners of war back in exchange.

But some companies balked from 1940 on. Marc Birkigt, Hispano-Suiza's main inventor (and a citizen of Switzerland, not a country with a proud wartime record), immediately sent copies of his plans to Britain, and retired behind the Spanish border. The company shut down its Paris operation, and shifted all production to Tarbes in the south west which remained unoccupied until late 1942. The following year the Germans lost patience, dismantled the Tarbes factory and took 19 trainloads of its machine tools to Germany. With its workforce down to a

quarter of its pre-war size by 1944, Hispano-Suiza never really recovered.

Resistance, even passive resistance, did have its post-war price. Eighty per cent of Peugeot output went to Germany, but some of its workers were executed and deported for sabotage at Sochaux, which they abandoned in September 1944, allowing the retreating Germans to take a lot of machinery with them. As late as 1947 Peugeot teams were still looking in Germany and elsewhere to reclaim this equipment, whose loss cost them a competitive edge against Renault, nationalised after the war because of the collaboration of its owners. Appropriately perhaps, the Berliet truck business ended up as part of Renault long after the trial of the Berliet family for collaboration.

Often the Germans' money spoke louder than their orders or threats. The French state had to pay FF400m a day in occupation costs, roughly 50 times the real cost of garrisoning the Wehrmacht in France, and ended up giving Germany a huge trade credit worth DM5 8.5bn. Initially the Germans could not spend anything like these colossal amounts "legally", so they resorted to Jolibois and other black marketeers to suck still more resources out of France. From 1943 on, the Germans found another home for their money in the building of the Atlantic Wall against Anglo-American invasion, the biggest public works project since the Romans.

The blackest mark against the French business community was its general role in helping Vichy put into effect its "aryanisation" decrees, snapping up Jewish shares or companies put up for sale or liquidation. Sadly, too, Messrs de Rochebrune and Hazera record they found no evidence of "a French Schindler".

Skies versus clocks

On October 22, 1712, Admiral Sir Cloudesley Shovell ran the British fleet across the rocks off the Scilly Islands because he had no idea where he was.

On the way back from skirmishes with the French off Gibraltar, the weather was foul and the admiral thought he was still off the western coast of Brittany and so did his navigators. A misthaze, who had been keeping his own reckoning, tipped up to demerit and Sir Cloudesley had him hanged on the spot for mutiny. Hours later four warships and 2,000 men were lost. Two years later, the British parliament voted a prize of £20,000 for the first person to solve the problem of longitude.

Dava Sobel has written a gem of a book about the ensuing conflict between astronomers, certain that the answer lay in the skies, and the eventual victor, a self-taught clockmaker of humble origins called John Harrison. He is the book's hero and arraigned against him were the village of great justice, not least Rev Neville Maskelyne, one of the most august astronomers royal in history.

Harrison's theory was grossly mechanical, a far cry from the complex astronomical formulae that had consumed the likes of Ptolemy, Galileo, Newton and

Historical air on a guitar string

Peter Aspden reviews a fascinating book on forgotten moments in popular culture

As a man who takes popular culture seriously, Greil Marcus is magnificently intolerant of the strident tones and sloppy myths that make up much of its critical vocabulary. He cannot stand the pretensions of a Robert Altman, the laboured metaphors of an E.L. Doctorow, the self-consciousness of an American Graffiti. Yet ask him to explain why Bob Dylan, or John Wayne, or even Jan and Dean really matter to American culture, and there is no better advocate around.

That such figures should be found in history's dustbin is all the more excuse to join Marcus in his erudite, passionate rummaging. His business is with the forgotten moments, the seemingly ephemeral, the "manifestos of limitless possibility and desire". Marcus quotes Robert Palz-

contingency, a setting of everything in doubt, the echo of an event, happening now."

By the time he finishes with Chesler, you want nothing else but to head straight for a record shop, find the section devoted to cheap historical oddities (another "dustbin") and go home and listen for yourself. It does not disappoint.

European "high" culture gets a look in too: Marcus is fixated with Germans ("because in the second half of the century they looked so farwardly to culture not only as a substitute for history, as a means of escaping from it, but also as a field for making history") and there is a little gem of a piece on Picasso's "Guernica".

But in truth, he is not too concerned with tendentious demarcation lines, especially when there is a good line to be had from mixing and matching: reviewing Umberto Eco's *Foucault's Pendulum*, he quotes Stevie Wonder: "When you believe in things that you don't understand / Then you suffer", and it makes perfect sense.

Marcus's aversion to the portentous leads him to find quality in unexpected avenues: in the made-for-TV Jan and Dean biopic *Dead Man's Curve*, for instance, which he lauds for its celebration of pop culture's "naturalness"; "not its significance, or its appeal as a version of the American Dream, or its Basic Shallowness, but pop culture as a good context in which to live your life - obvious, emerging, and limited."

On the other hand, he takes delight in exposing pieces of work which strike him as fraudulent. He takes particular offence at a scene from Altman's critically-acclaimed *Nashville*, when a country music audience responds heartlessly to the on-stage breakdown of a singer: "(The scene) cannot possibly be a metaphor for anything but the director's cynicism and disinterest in his ostensible subject, since no country audience would respond to the collapse of a singer... with anything but compassion and fear."

Marcus's bravest project in this marvellous book is to rehabilitate the career of one Bob Dylan, with a trenchant, generous account of his 1963 masterpiece, "Blind Willie McTell". Most people had given up on Dylan and his "cult-blank eyes" long before 1963, but Marcus is not one to pander to received opinion. You can fleetingly consign an artist to the dustbin, but it does not mean you are right.

THE DUSTBIN OF HISTORY
by Greil Marcus
Picador £15.99, 274 pages

er's question in *Deep Blues*: "How much history can be communicated by pressure on a guitar string?", and answers plaintively: "More than we will ever know."

The view of history's master-narrative as an interested construction rather than a literal account of what really happened is hardly original, but seldom has the narrative's marginal figures been elevated with such informed brio.

Take Deborah Chesler, the subject of the finest piece in this collection of essays and articles and a name unknown to all but rock history's cognoscenti. A struggling Jewish songwriter from Baltimore, she started small-time: her first break came when she sold a jingle to the local movie house in honour of its new air-conditioning.

But Chesler was an original. She instinctively bucked the prevailing casual racism of her contemporaries - once, working in a ladies' wear store, she flouted the law by allowing a black woman, who just happened to be Ella Fitzgerald, to try on several dresses - but she was no ideologue, no heroine.

What she could do was write songs: in fact, she wrote one of the finest in early pop history, "It's Too Soon To Know" by The Orioles, credited as the first-ever rock'n'roll record and one of Marcus's sublime dustbin moments: "Suddenly, everything around it, on the radio, on the jukeboxes, sounded stale. In the voices you could hear... a quality of



Russian poster advertising the film "Chekovek iz Lesa", (The Man from the Forest), 1928: one of 250 compelling images from "Film Posters of the Russian Avant Garde" (Taschen £24.99, 319 pages), edited by the American collector Susan Pack, which demonstrates the dynamism of Russian graphic art in the 1920s and 30s

In defence of Churchill's right-hand man

Wilson makes no claim that this is another biography of F.A. Lindemann. It is something much more interesting. Here is a series of essays on the impact of a political advisor. The book reviews a number of the crucial second world war strategies, the planning for the post-war world and evaluates Lindemann's influence. The overall judgment is rightly favourable to Lord Cherwell, as he became.

Anyone close to a prime minister, let alone a prime minister of Churchill's stature, is bound to attract enemies. Lindemann is no exception, but much of the criticism could be considered valid only if partial shots are taken of the record of 'the Prof', as he was known. On all key areas Linde-

mann was proved right, even when his judgment was based on faulty reasoning.

The criticism of his commitment to the bombing policy against Germany is a good example. He was wrong to believe that this policy would crack the German resolve to fight. But what would have been the outcome if the war had been prolonged, particularly after the bombing of Dresden? Here is the only point where I question Wilson's otherwise impeccable judgment. Dresden was a logical progression in the policy and Speer believed its continuance would have broken the German spirit.

Britain had an imbalance with too many bombers and

too many fighters. For a long time, bombing was the only form of attack against Germany. The Prof was wrong in supporting an unrealistic production level of bombers - and should not some of the bombers have gone to the coastal command to help protect the convoys from U-boat attack?

But while Lindemann was at fault in believing the bombing would lead to a German collapse it did have, contrary to the often-stated view, a major impact on German war output. It also massively diverted offensive supplies to home defences.

What would have been the impact had this effort been transferred to the Russian

CHURCHILL AND THE PROF
by Thomas Wilson
Cassell £20, 224 pages

Front, at a time when we were unable to open up a second front, is left for us to consider.

The quality of Lindemann's view can also be seen in the advice he gave to Churchill on the home front. While the Prof clearly gained much pleasure in spreading stories about his own reactionary views, this is a distortion. His fight against a war of a thousand cuts on the living standards at home was little short of brilliant. The passage quoted by Wilson

about how a saving in one area results in a loss in another ought to be compulsory reading before any meeting of the Cabinet expenditure committee.

Wilson contrasts Lindemann and Beveridge, and again the Prof's political judgment grows with time. Wilson gives a neat deathblow to the now standard line that Churchill was not much interested in home affairs during the war. In less than half a page he recalls the issues the prime minister was dealing with at the time of the publication of the Beveridge Report. While the battle of El Alamein had been won the Germans were still a force in Africa. The Anglo-American

landing in North-West Africa had begun: the Germans had reached the oil-producing areas in the Caucasus; the Battle of the Atlantic was in full force and the Russian homeland was being pounded. Those whose interest is primarily in social policy need to see the whole canvas to which Churchill was applying his brush if a sensible judgment is to be made here.

Indirectly Wilson assesses why Lindemann was perhaps the most effective of all the political advisors so far appointed. A judgment not without importance as minds turn to the next government. Churchill and the Prof grew close over their early campaign about the nature of the Nazi

threat. Lindemann had a brilliance in not merely knowing the importance of developments but in being able to express them simply. He kept strictly to the area given to him by Churchill. A forthright fighter within these confines, Lindemann did not meddle in areas forbidden by his master. But this says something equally important about Churchill, who was not afraid to have substantial minds around him.

The author of this book, Thomas Wilson, was an advisor to the department of the environment when the poll tax was being debated internally. He was the only person to resign over the issue. Need anything more be said about his qualities?

Frank Field

But, with the ultimate patronage of George III, Harrison was finally vindicated and his prototype models went into mass production. Now, notes the author, "some modern horologists claim that Harrison's work facilitated England's mastery over the ocean and thereby led to the creation of the British Empire - for it was by dint of the chronometer that Britannia ruled the waves."

Sir Cloudesley Shovell, incidentally, was one of the two survivors of the wreck of the Scillies, but not for long. Lying exhausted on the shore, he was murdered for his emerald ring by a local woman, who confessed on her death bed 60 years later. That is the sort of anecdote which illumines Sobel's book throughout and makes *Longitude* one of the best reads for the non-scientific mind to come along in many a moon - as measured by John Harrison's masterpiece.

Jurek Martin

مكتبة النور

BOOKS

Confessions of a sex-crazed poet

Michael Thompson-Noel is by turns seduced and repelled by a perilous read

Published in the UK as a paperback original, Secret Life has a spilling back-cover quote from the New York Times Book Review, which states that this "extraordinarily absorbing and disquieting autobiography is a portrait of the artist as a young perverser".

great, that there are moments in Secret Life when one fears to turn the page. This is not because Ryan's sex confessions are outstandingly shocking - in a sex age like ours, that really isn't possible - but because of dread at the thought of the consequences of his escapades.

one else would understand it. The child must never tell anyone as long as he lived. "I'm not sure how many times Bob Stoller had sex with me," writes Ryan. "I remember my reluctance every time, and the ways he'd overcome it by appeals to my sympathy and vanity."

repeated, unless - if he's lucky and finds help - he ceases to identify with the molester. Until I read this book, I imagined - as who would not? - that the life of a sex addict was pretty groovy.

inside a spin-drier. His primary loyalty was to sex: anyone would do, usually women, often men. No human relationship took precedence over sex. Achievements were meaningless unless converted into sexual rewards.

It coils and uncoils, and coils again. For example, there is an hilarious account of Ryan's participation as a schoolboy in the Westinghouse Science Talent Search, a prestigious national competition. Entrants had to carry out projects, so Ryan embarked on a Frankensteinian experiment, utterly bogus, concerned with the immunological role of the thymus gland.

an honourable mention from the judges. There was a write-up in the local newspaper. About 20 schools offered him scholarships. And then he got an anonymous call from a girl who told him he was cute. How would he like to make out with her? Cars full of girls drove by his house at midnight, calling for him to appear. Two of these girls were moderately good looking, so he took them out on successive weekends, driving his car into a field and sticking his hand in their pants. The girls reciprocated. The impressiveness of the Westinghouse episode lies in the fact that we know the psychological context in which it occurs, and can feel and taste everything that is going on when Michael Ryan drives those schoolgirls into the field and sets the handbrake. Heaven protect us if he ever writes a novel.

Planetary catastrophe wrought by mankind

Man's greed has already sown the seeds of his destruction, warns A.C. Grayling

Did you know that within two millennia of his arrival in North America about 12,000 years ago, man had hunted 57 species of the continent's largest mammals to extinction? That earth's forests are being cut down at a rate of over one acre per second? That homo sapiens - constituting a tiny minority of the planet's fauna - annually consumes one half of the energy needed to sustain all the planet's life forms?

science of Charles Darwin and Charles Lyell introduced an opposing view into the respective stories of biological and geological evolution: gradualism. In Darwin's account, the flow of life is a struggle in which only the fittest win, overcoming both competitors and environmental factors by successful adaptation. The process is slow and steady, but it leads incrementally towards higher forms of life, representing - in Darwin's words - "progress towards perfection".

This comforting view no longer bears scrutiny. As Leakey and Lewin report, controversial recent work suggests a very different picture of the history of life, as follows.

The first simple life forms existed for billions of years without change; six-sevenths of earth's history belong to them. Then, about 530 million years ago, and in the geological eyeblink of a mere five million years, life suddenly exploded into a vast diversity. Most of it vanished almost as suddenly, within another few million years, leaving behind the forms which have evolved into today's life. The surviving forms were not fitter or better adapted to the Cambrian world in which this phenomenon occurred; which forms survived and which vanished was a matter of mere chance, a lottery. And this was true too for the two-inch worm which evolved into the vertebrates, and finally into us.

THE SIXTH EXTINCTION by Richard Leakey and Roger Lewin Weldonfeld and Nicolson £18.99, 271 pages

probably seem "unsurprising". We seem inured to our greedy carelessness as a species, feeling either that we are impotent to stop our delinquencies, or that our very mortality - the limit of our threescore years and ten - makes it unnecessary to think ahead; or our grandchildren, we seem to say with a shrug as we turn out car-keys each morning, can scuffle for survival among the wreckage as best they may. How, though, are we to make sense of the planetary catastrophe being wrought by mankind? In this exceptional book Richard Leakey and Roger Lewin place the human impact on earth into the full context of biological history, telling a fascinating and in the end chilling story of change and extinction in the evolution of life. Ancient myths of divine creation and destructive world-wide floods paint a picture of sudden cataclysm in earth history. The 19th-century



Technicians attempt to cap oil wells sabotaged during the Gulf War; photograph by Sebastião Salgado included in "This Critical Mirror - Photojournalism Since the 1950s" (Thames and Hudson £19.95, 225 pages)

marine species were extinguished. After each one previously insignificant life forms rose to prominence, availing themselves of vacated ecological niches. After the last and most famous mass extinction 65 million years ago, when the dinosaurs disappeared, there emerged a group of small scurrying creatures who, until then, had been keeping well out of the way: the mammals. There is much controversy as to why these mass extinctions occurred. One theory nominates change of sea levels, another nominates global climate change, a third

- looking increasingly plausible - collision with asteroids. Different extinctions might have had different causes, some a combination of them. But the cause of the current extinction - for a sixth is actually in process - is all too readily identifiable. It is the activity of homo sapiens. The revised picture of biological history described by Leakey and Lewin suggests that the origin and destruction of life forms is a matter of accident, and that catastrophes have a greater impact than the more local phenomenon of Darwin-

ian natural selection, which explains change in non-catastrophic circumstances. It is the catastrophe theory which explains why man's activities are ecologically so dangerous. The current crisis is caused by man in three ways: first, by his direct exploitation of nature, as in hunting; secondly, by his introduction of alien species into ecosystems (the arrival of man and rats in New Zealand, for one example, wiped out its flightless bird populations); and thirdly, by his destruction of ecosystems through deforestation and pol-

lution. At the current rate of man's activities, half the present species on earth will become extinct before the end of next century. And here is the chilling clincher. Biological diversity is necessary to the survival of species. No one species can survive alone; there has to be a critical mass of them to ensure balance and support. Man's destruction of fellow-species, if it has already gone too far, has therefore already caused his own extinction. For extinction is not an instantaneous process; it can take centuries, millennia, even millions of years.

But it is not improbable that mankind has by now made his own survival impossible - in which case we are, as the authors put it, already the living dead. They ask: does it matter? and answer in the affirmative. While there is hope and perhaps time, we have no right - we the species which can reflect, understand, make choices - to take so many other species into the abyss with us. This is a highly readable, educative book. It puts a controversial view, but one that must be heard. It is therefore required reading.

Locked up for no reason

Joan Smith searches for clues in a tragic story which is far from black and white

The American actress Marsha Hunt finally found her grandmother, whom she had never met, living in an overcrowded nursing home in a poor district of Memphis, Tennessee. Yet, shabby though it was, the home represented freedom of a sort before she arrived there, Ernestine Hunt had spent more than half her long life (she is 96, the same age as the century) in a forbidding mental institution.

REPOSSESSING ERNESTINE: THE SEARCH FOR A LOST SOUL by Marsha Hunt Harper Collins £15.99, 277 pages

biography Real Life, one of the photographs showed Ernestine at her high school graduation, yet Hunt knew almost nothing about her. "My poor, dear sick wife is still at the hospital, incurably insane. Of course, divorce is not permitted in the state of Tennessee", Hunt's grandfather told her during a visit to Memphis in 1977. Blair Hunt Sr had been only the third black person in Memphis to get a college degree. He became head teacher of a black high school and, even after his retirement in 1959, remained a significant figure in the city.



Marsha Hunt: until five years ago she thought her grandmother was dead

Yet the wife of this influential citizen languished in a mental institution for five decades and his three sons were brought up by their grandmother, Ernestine's own mother, in Boston. For most of her adult life, Marsha Hunt assumed Ernestine was dead. Then, in 1991, she got the telephone call which prompted the quest that forms the

core of this book. Her cousin rang Hunt's secluded house in France with the shocking news that Ernestine was still alive. More shocks were to come: the sheer number of people, family and friends, who knew Ernestine's whereabouts but never visited her. Perhaps most disturbing of all was the fact that Ernestine's guardian, the person who controlled her

allowance and made decisions about her welfare at the nursing home after her husband's death, was Blair Hunt Sr's acknowledged girlfriend during his lifetime. Much of this was unknown to Marsha Hunt in the summer of 1991 when she scraped together the airfare to Memphis and visited her grandmother for the first time. Arriving at the nursing home, she

was faced with "a morbid collection of silent old women of varying shades of brown, except for one huddled in a big plastic chair". Even at this heart-wrenching moment, Hunt was struck by a bizarre fact about her grandmother "I was too conscious of how white she looked".

Race is at the heart of this tragic story for Marsha Hunt's family are the descendants of slaves and their genes carry evidence of racial intermingling, some of it probably the consequences of rape in the ante-bellum period. That Ernestine's singular appearance may have been a cause of family conflict and a factor in her confinement in a mental institution is only hinted in this sensitive, painful book. In spite of diligent research in Memphis and Boston, where Ernestine's supposed mental instability was first diagnosed, Marsha Hunt never discovers the real reason behind her grandmother's commitment. But one detail sticks in the mind: the fact that when she was locked up in a black asylum in 1929 Ernestine Hunt insisted - as she has gone on insisting to this day - that she was white.

In that sense, Repossessing Ernestine is an unsolved mystery. It is also an honest, eloquent account of the problems inherent in trying to rehabilitate an elderly woman who has been imprisoned in institutions for more than half a century. Hunt's attempt to have Ernestine live with her in England fails but her grandmother grows more alert and interested in her surroundings as their relationship progresses.

She even succeeds, in a moment of dreadful poignancy, in articulating what a terrible wrong was done to her. Speaking in a Southern black accent that does not match her looks, she tells Hunt simply, "I got killed". This is not a book with a happy ending but it does at least restore to Ernestine Hunt a degree of dignity denied her for the greater part of her adult life.

Crime/Michael Carlson Master of perception

Lawrence Block could be forgiven for feeling schizoprenic. He has written 13 novels featuring Matt Scudder, an alcoholic ex-cop who works as an unlicensed private eye out of Manhattan's Hell's Kitchen, and another seven starring Bernie Rhodenbarr, who runs a bookstore on the Upper West Side but is actually a burglar. Both series are written in the first person, and the evidence of Block's skill as a craftsman is the ease with which he, and his readers, can move between the two and never get confused.

Matt Scudder's books are hard-boiled. Scudder lives with an ex-hooker, who has given up her past just as Scudder has given up the juice. Scudder will not, however, give up the dimly lit world he inhabits. This is old New York: an interlocking web of ethnic neighbourhoods, after-hours joints, and backhand deals, where legal and illegal are merely terms of convenience for newspapers and DAs. Despite Scudder's sobriety, he remains a part of it.

In 17th-century Naples, a banker named Lorenzo Tontì invented a scheme whereby a group of subscribers would pay into an investment fund whose proceeds would be paid to the group's last surviving member. It became known as a tontine. Centuries later in Manhattan, the members of a club with no function except meeting once a year are dying at an unusually high rate. One member approaches Scudder to look into the deaths and see if anything untoward is happening.

Of course, something is going on and Scudder eventually discovers what it is, but it is the course of the investigation and the attendant sto-

ries it reveals that make this such an entertaining suspense novel.

Few genre writers can maintain a reader's interest in a protagonist over a long series of stories: Robert Parker's Spenser, for example, a fantasy figure of brutal sensitivity to begin with, degenerated into self-parody long ago. But Scudder has grown as a person, and his milieu has been drawn more clearly as he grows. His perceptions, rather than the details of his life, become the focus, a lesson more first-person writers should learn.

A LONG LINE OF DEAD MEN by Lawrence Block Orion Books £15.99, 285 pages

THE BURGLAR WHO THOUGHT HE WAS BOGART by Lawrence Block No Exit Press £9.99, 291 pages

There is a male fantasy in which men spend hours in bars after closing, discussing life with others who talk intelligently and spin tales with the skill of a Scheherazade. It puts the world back into a manageable perspective. Reality is the drunken lout you can neither ignore nor get rid of, which is why long hours in bars turn you into a drunk. It is no coincidence that Block's Scudder, having overcome his alcoholism, takes us with him into such conversations, and it is no wonder the challenge of the mystery often takes a back seat to the discoveries awaiting us there. Bernie Rhodenbarr's uptown world is the comfortable one where

the locked room mystery and the amateur sleuth hold sway.

This story, a tongue-in-cheek homage to Sue Grafton, creaks desperately at the edges. We have to accept that Bernie can recall faces off 75-year-old postage stamps from a non-existent Balkan principedom, yet not recognise Cyrillic letters. We have to accept a character whose name and nickname conveniently match that Cyrillic. And we have to accept that his sidekick, the lesbian dog-groomer Carolyn Kaiser, has never heard of Phnom Penh, but six pages later knows exactly how many countries Yugoslavia has split up into. There are people in the foreign office who do not know that.

On the other hand it is fun to have the characters from The Maltese Falcon (Gutman, Cairo, and Wilmer) interacting with Lisa and Victor Lazzio from Casablanca. Block throws in everything except Walter Huston falling through the doorway clutching a wrapped bird. It would be even funnier if it did not lead to exactly the same climax that Woody Allen did better, 20 years ago, in Play It Again Sam.

The Burglar books recall Donald Westlake's Dortmund gang. In fact, Rhodenbarr himself seems a direct descendant of Groffeld, the part-time actor and thief whom Westlake spun off from his Parker novels. Those books, written under the Richard Stark pseudonym, are among the greatest hard-boiled writing of all time. It is not far fetched to see Block as a legitimate heir to Westlake's schizoid skill. Someday Matt Scudder will cross paths with Bernie Rhodenbarr on a case. Now that will be interesting.

Vertical text on the left margin: FEBRUARY 1996, Skies versus clocks, Jurek...

ARTS

First Lord of the Academy

William Packer welcomes a re-appraisal of the work of Frederic Leighton, who died 100 years ago

None better represents the vagaries of critical fashion, in particular as they have affected Victorian art, than Frederic Lord Leighton. Leighton died 100 years ago, aged 65 and within a month of being raised to the peerage. He was the only painter to have been so honoured. His body lay in state at the Royal Academy, of which he had been president for the past 18 years, and, escorted by a detachment of the Artists' Rifles, was drawn through the streets of London for burial at St Paul's.

Here, in the eyes of his contemporaries, was a great man, a pillar of Victorian England. Yet within 60 years he had so fallen from the collective consciousness that "Flaming June", one of his last and most successful works, the sensation of his farewell Summer Show, was to be had from a Chelsea stall for a mere £50, its frame alone priced at £85. Sold on to the Ferre Foundation in Puerto Rico for £2000, it is now valued at several million.

That his lost reputation is now somewhat restored by the Royal Academy's highly enjoyable centenary celebration of his life's work is not to say that he was a neglected genius and the greatest artist of his time. Far from it. He was manifestly uneven in his production, capable of failures quite as spectacular as his successes, and worthy is the epithet that comes to mind. Yet it is right that work such as his should be given an open-minded reappraisal, for it gives us a truer picture of the state of British art in the later 19th century in all its complexity of influences and attitudes, cross-currents and counter-flow.

The point is that we have been victims too long of the over-simple art-historical opposition of the Salon and Academy on the one hand, and the Modern on the other. The

result is the easy assumption that the Academic position was necessarily retrogressive and bad, the Modern progressive and good. To look at the work of Leighton from first to last is to register all those tensions and contradictions. All art is modern in its time.

Leighton was well-travelled, his childhood and early maturity spent almost entirely abroad, first with his expatriate family and then studying variously at Rome, Frankfurt and finally Paris, where he spent most of his twenties. He returned permanently to London only when he was nearly 30. By that time his contact with artists was no less international, including Whistler and Poynter, Decamps, Troyon and Perugini. He was familiar with the work of the Nazarenes, the group of German artists that had worked in Rome earlier in the century, and the Campagna painters of his own generation. He knew the work of Ingres, Corot and Daubigny, the Barbizon painters and the pre-Raphaelites. To think of him as not up with modern painting in his day because such other near-contemporaries as Degas, Manet or Cézanne had failed to register with him, is hardly fair.

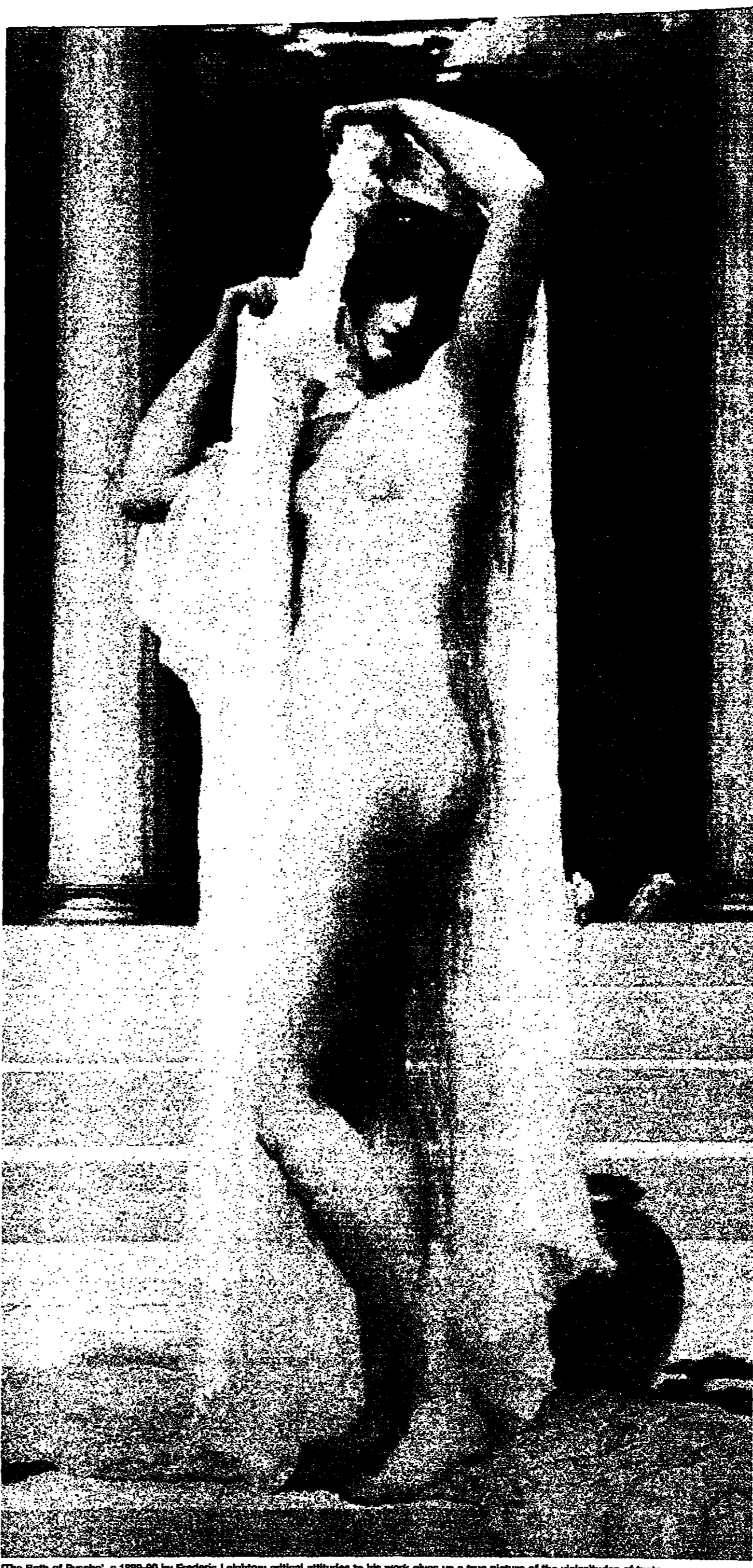
Where Leighton falls down is in his inconsistency. He burst onto the English stage in 1855, as he starts us now in this exhibition, with the remarkable "Cimabue's Madonna carried in Procession through the streets of Florence", part Nazarene, part pre-Raphaelite in its influence. Ruskin used his drawings as perfect demonstration of pre-Raphaelite principles of truth to nature. But the impetus was not sustained. For the next few years, Ingresque portraits, Italianate idylls and Nazarene history

paintings come round by turn, followed by flirtations with aestheticism, full-blown essays in classical subject painting, symbolism, and idealised figure painting. Some of it is impressive enough, but much is *baed* in execution and sentimental in effect. Too often, in both his drawing and painting of the figure, the handling is inhibited and limp, flitted of structure and without flair.

And yet through it all runs a thread of *plein-air* landscape study, small in scale, direct and fresh after the manner of Corot and the Barbizons, showing a natural painter dying to be let free. It is as though Leighton was always the painter he felt he ought to be - serious, public and official - in a time when the general drift, most certainly in the generation after him, was turning towards something more direct to experience, intimate and personal. Too often we have to recognise that other painters were doing what he was doing, but rather better - Millais the history painting, Burne-Jones the romantic idyll, Rossetti the ideal woman, Alma-Tadema and Poynter the classical narrative. Whistler and Albert Moore the aesthetic ideal.

But this is not to deny Leighton his particular triumphs, from "Cimabue's Madonna", so long shelved at the National Gallery, and the delightful "May Sartorius" in her ostrich-feather hat before 1860, to the 1890s and the luxuriant "Garden of the Hesperides", "Andromeda" tethered sensuously to her rock for the monster to devour and, best of all, "Flaming June". The curled, sleeping, radically fore-shortened model is a burst of light in her orange shift, and as bold and monumental a composition as could be.

Frederic Leighton 1830-1896: The Royal Academy of Arts, Piccadilly W1, until April 21; in association with Christies.



"The Bath of Psyche", c.1889-90 by Frederic Leighton; critical attitudes to his work gives us a true picture of the vicissitudes of taste

Recitals Severe and sublime

In one of several changes to the advertised programmes for his three Wigmore Hall recitals pairing Haydn with Bartók, András Schiff chose to replace Bartók's flashy *Three Episodes* with his more austere *Fifteen Hungarian Peasant Songs*. This was a characteristic gesture for a pianist who, for all his digital dexterity, is a profoundly intellectual artist, one for whom heart and brain are inseparably fused. His recitals on Monday and Wednesday were fascinating, contrasting examples of this approach: at its crabbled, uncommunicative worst and at its unsurpassable, sublime best.

Monday's recital found Schiff at his severest. In three Haydn sonatas he demonstrated how music of such focus, elegance and transparency needs more than the strict observance of Haydn's expression markings harnessed to some impossibly deliberate, distanced tempo to make its mark. No.85 in C minor, a powerful, explosive work from Haydn's Sturm and Drang period, was presented as a grim, unrelenting odyssey of clangorous piano sound, heavy accentuation and pedantic phrasing, while No.60 in C major for all its early good humour was hardly a model of subtlety.

The Bartók that evening was a distinct improvement, with reserves of stamina, virtuosity and the sort of rhythmic élan perhaps inappropriate to Haydn present in ample abundance. That Schiff was capable of a tender delicacy emerged from his selection of ten pieces from *For Children*, a pedagogical collection similar to the better-known *Mikrokosmos*, which can deter concert pianists because of its disarming simplicity.

Here Schiff demonstrated how the careful selection of complementary pieces and razor-sharp timing can make them every bit as absorbing as Bartók's more obviously complex music, such as the composer's own transcription of his *Dance Suite*, which under Schiff's demonic fingers emerged as self-sufficient enough to cause little regret at the absence of its orchestral dressing.

If Monday proved a blessing, Wednesday came as the hoped-for revelation. His Bartók again found Schiff on form, both in the grotesque humour of the *Three Burlesques* and in his shading of the remarkable piano sonorities of the *Out Doors suite*. His Haydn, however, now enriched with pregnant pauses and, above all, an impish sense of humour, was Schiff at his witty best, and the authority with which he projected the long slow movement of No.59 in E flat major was a model of nuanced phrasing. Both this and the mischievous delight in negotiating the about-turns and ellipses of No.54 in G major and No.58 in C major showed just how fine piano playing depends on emotion as well as intellect and, as Monday's recital demonstrated, just how elusive and temperamental the former can be.

Antony Bye

At Home with the artist

They may not be the most awesome last words, but "Give my love to the Academy" neatly sum up the life of the artist Lord Leighton, a president of the Royal Academy, whose centenary is currently being celebrated all over London, not least in a major retrospective at the RA (reviewed above).

Lord Leighton never married. He devoted himself to work, and was a punctilious resident of the RA. Like Tenyson and Gladstone he was the quintessence of Victorian manhood: straight, honourable, dedicated.

Like Gladstone, his very decency attracted title-tattle and his beneficence to his last model, Dorothy Dene - which stretched to housing her family in Clapham, a house he visited to "come off his stilts" gave the gossips a field day. But Lord Leighton's moral reputation held, even if his artistic eminence slid into oblivion in the middle of the 20th century.

Leighton House in Kensington, his home for 30 years, is

honouring the centenary with that latest in artistic novelties: the audio-visual promenade tour. In small groups you walk the house, stepping back with the help of smells, recordings and actors, into the late Victorian age.

In the dining room, we hear his manservant Kemp recall convivial bachelor banquets, which were enlivened by blue stories, Browning, and the Prince of Wales. In the picture gallery his friend Sir Richard Burton takes over, reminiscing about the oriental passions he shared with Leighton, a passion which helped create the Arab Hall, a tiled and poolside patio dreamed up in Damascus and dropped into Holland Park, surely one of the finest interiors in London.

Leighton House has always been a memorial to the artist, with his paintings on the walls, his furniture in the rooms. The most lived-in room, the studio, has been returned to its original appearance, a confusion of screens, sketches and busts, as caught in contemporary photographs. Here Dorothy Dene describes

her decorous relationship with Leighton, dressed in the saf-iron robe made famous in "Flaming June".

Ms Dene is so affecting it is unsettling to read in the new guide to Leighton and Leighton House that the model for "Flaming June" was probably the distressed gentlewoman Mary Lloyd. No matter, after this frisson of gossip amid the clutter of the studio we pass into the most chilling room in the house, Leighton's bedroom.

After the grand rooms for entertaining and the sybaritic Arab Hall, it is a shock to stand around the tiny bed in the small, spartan room where the artist died in January 1896. The music of Brahms accompanies the rushed voices of doctors, servants, and the man himself, who leaves this world with his thoughts on his beloved RA.

Antony Thorncroft

"Relentless Perfection", £3.50. To book, tel. 0171-603 9115. The house re-opens as a museum on May 1.

St. Joseph's Hospice

MARE ST. JOSEPH'S HOSPICE
MARE ST. LONDON E8 4SA
(Charity Ref. No. 231325)

Dear Anonymous Friends,

You did not wish your gifts to be spoiled by human words of thanks. Their value gleams in the untold relief you silently provide.

We have honoured your trust, and always will.

Sister Superior.

Radio/Martin Hoyle Awkward questions

extent we would have found astonishing and disturbing even a few years ago.

These thoughts are prompted by a recent item on Radio 4's *You and Yours*, one of those programmes that often asks unflinchingly but uncomfortably probing questions. The free coal that ex-miners are entitled to in some parts of the country is now being taken from the poorest quality, frequently contains stones, and in some cases so useless that it is forcing the recipients to stump up from their pensions to buy their own.

The disturbing element is that complaints and questions have been passed in a perpetual circle, from the ex-national coal authorities in London via a Harrogate office to Sheffield and back to London. There is something Dickensian about what appears to be callously contemptuous sharp practice. There are certainly Victorian values in evidence here; pre-Lord Shaftesbury by the sound of it.

The morality of corporations and governments was the implicit subject of *Analysis: Dirt across the Border*. Frances

Cairncross outlined some of the choices facing us when pious combating global pollution. Should international companies vary according to the standards of the countries they invest in? Should they take the lead from an un-green government or set an example notwithstanding?

Some surprising conclusions were drawn. Some European nations have "shot themselves in the foot" with over-regulation which should be relaxed. The passionately crusading Edward Goldsmith insisted that the "Third World" should feed its own before exporting to cater to the west's sophisticated needs: unexceptionable, one would think, except that he went on to advocate refusing to trade with them so as to ram the message home: a dubious way of being cruel to be kind.

Still, it was heartening to hear that Britain, as far as pollution is concerned, "is blessed with strong winds and short, swift rivers". It has been so long since we were considered blessed with anything that I

found this tiny affirmation of faith rather touching.

And morale indeed boosting a week ago. On the Friday the IRA reminded us that they are still around, and that evening the media were understandably dominated by the news. Saturday morning's *The Week in Westminster* had something of a scoop, presented by Boris Johnson of the Telegraph who was in his Canary Wharf office at the time of the explosion. He presided with gravitas and efficiency over splendidly prepared interviews and exchanges that sounded as if the programme had been weeks in the making instead of a few hours. The listener tried to deny the uneasy appropriateness of another item, on the antagonism between native Latvians and the Russians who have lived in Latvia for years, in some cases born there and regarding it as home, though now abused and driven out.

The exiled Duke of Milan appeared to have made landfall in the Emerald Isle in Radio 3's production of *The Tempest*. A cast led by Ronald Pickup's mellifluous Prospero and Sarah Woodward's gutsy, un-soppy

Miranda gave a better account of the play than you are likely to meet with in the theatre. The cast actually pronounced the language well and gave every appearance of understanding what they were saying: a double feat rarely achieved on our great subsidised national stages. The Irishness I found not terribly relevant politically, though Caliban did remind me of many an amiable toper in many a Kilburn bar, and left me wondering if this agreeable association of ideas was racist.

There is something gloriously, unregrettably racist, if the north is a race, about Peter Tinniswood's Uncle Mort and his reticent nephew Carter Brandon. Their chauvinism is directed not just against southerners but the Welsh as well. *Uncle Mort's Celtic Fringe* started a five-part progress through the principalities on Monday, and I shall tag along for the ride. Tinniswood's quirky gift for elliptical, apparently inconsequential detail is a faintly baffling delight. He is an Alan Bennett with surrealism and bite. Pete Atkin's production is a constant pleasure, fielding some fine performances (June Barrie's transplanted northern volubility in her dislike of the Welsh was a treasure). Only Sam Kelly's Carter sounds a trifle long in the tooth; but the humour gives no sign of ageing.

Theatre/David Murray A good-looking 'Dream'

For its new *Midsummer Night's Dream*, the Leicester Haymarket has borrowed Matthew Lloyd from the Hampstead Theatre as director. He has devised a curious show, often "interesting" - it starts several hares which soon disappear into the far distance - but rarely funny, and then only with sudden onslaughts of knockabout comedy. In the *Pyramus & Thisbe* scene, of course, and for the lovers' last demented quarrel, I could easily believe that Lloyd began with intentions that never got realised.

It looks good, in Ashley Martin-Davis's free-floating designs: just a deep semi-circle of luminous vertical cords, with suspended moon-globes (one huge, three smaller) and scatty costumes. All the upper-class Athenians wear posh pyjamas, with or without dressing-gowns. The rude mechanicals sport orange boiler-suits - which conceal lurid Lycra tights, with external undergarments, because they have to double as the fairy troupe. Naturally they are much larger than usual, and indeed the looming Mustard Seed com-

mits a realistic near-rape upon Hermia the moment she ventures into the wood.

Nothing more malevolent develops, though Jonathan Arun's Puck is bare-chested with braces, a boater, striped trousers and scarlet lips, suggesting some obscurely perverse streak. Incidentally, whenever he or Helen Baxendale's Hermia speaks crosswise to the audience we lose most of their words: disappointing for students who have the *Dream* on their syllabus. How Shakespeare repertoire is dictated by GSECEs and A-levels! We are lucky ever to get *Timon*, or *Cymbeline* or *All's Well*.

Again Hippolyta and Duke Theseus do their now-standard doubling as Titania and Oberon. But why? Roger Lloyd Pack chews sombriety over his lines as Theseus in near-Schoolfield style, and does the same, only nastier, as Oberon. That clever, tubby actress Annette Badland has evidently been cast as both Queens for her size, since her circus-pink costumes grossly exaggerate it; very well, she makes neither a likely Amazon queen nor a

fairy one (though her attention is always lofty and well-ward) - but nothing comes of that, except unusually grotesque coupling with Bottom in his ass's guise.

Andrew Joseph's Bottom is cheerfully thick and simple, and the other mechanicals are of an unremarkable muckiness. David Elliott's handsome Demetrius evinces some lively intelligence; Sean Harris's long, weedy bespectacled Lysander makes a promising arrival and then fades steadily away, the quelling Defferary's Helena all right, though in *Pyramus & Thisbe* she spoils Hermia's "Painted maypole" jest. There are too many details that add up to nothing in particular.

A pretentious note in the programme-book claims that "the confusion caused by the application of Puck's juice demonstrates the fickleness of sexual attraction". Nonsense: it shows only that magical tinctures can lead lovers astray. The close of the play assures us that when true lovers are in their right senses they will find each other.

At the Haymarket, The Leicester, until March 2.

مكتبة النور

ARTS



Mahler, Dohnányi, Masur and Toscanini (left to right); all linked by an American tradition of choosing conductors with a relationship to European composers of the 19th century

In a class of their own

It is the musical traditions of the finest US orchestras that make them special, explains Andrew Clark

The Pittsburgh Symphony Orchestra visits London next Wednesday on the final leg of a three-week European tour with Lorin Maazel. It marks the start of an unusually busy year for transatlantic orchestral traffic. Over the next six months, orchestras from Cleveland, Chicago, New York, Los Angeles and San Francisco will head for Europe, each hoping to garner enough glowing reviews from the Old World to impress wealthy patrons back home in the New.

For European audiences, this rapid parade of musical monoliths is a chance to assess the comparative strength of the top American orchestras. Since the 1950s, the US classical music scene has been dominated by five orchestras - the Boston Symphony, the Chicago Symphony, the Cleveland Orchestra, the New York Philharmonic and the Philadelphia Orchestra. They became known as the Big Five, because they alone demonstrated world-class standards and consistently attracted the leading conductors.

In the highly competitive US environment, status is important. There are only 20 full-time symphony orchestras, all in the same market for musicians and conductors, for corporate and private money, for radio slots, recording work - and kudos. Thanks to increased touring and the CD explosion, orchestras traditionally classed in the second league now command a much higher profile than they did a generation ago. The Pittsburgh Symphony has been paying Maazel \$1m a year to turn it into a "great orchestra". San Francisco is planning its hopes on Michael Tilson Thomas. Los Angeles and Dallas are creating a profile with media-friendly conductors like Esa-Pekka Salonen and Andrew Litton.

The publicity generated by these

orchestras and their conductors has overshadowed the traditional strengths of the Big Five - so much so that some commentators say the term is now meaningless. Since Daniel Barenboim's arrival in 1990, the Chicago Symphony has lost some of its self-confidence. Seiji Ozawa has outlived his usefulness in Boston. The Philadelphia Orchestra is suffering from its home town's economic depression, and both it and the New York Philharmonic are in the hands of unwholly German conductors.

In a market easily impressed by glamour and hype, it only takes the latest whiz-kid to turn up with a brilliant performance of *The Rite of Spring* for everyone to hail a new member of the orchestral elite. So the Pittsburgh orchestra's London visit, and those of its rivals in coming months, are worth a critical ear. If lucky, Europeans will get an aural snapshot of what constitutes a great American orchestra - or an ordinary one with a star conductor.

Toscanini used to say there were no bad orchestras, just bad conductors. Today we could say there are no great conductors, just great orchestras. A great orchestra has a special character, a house style. Think of the London Symphony Orchestra's light-fingered virtuosity, the Berlin Philharmonic's lurid warmth, the Dresden Staatskapelle's silvery refinement. These qualities have transcended the influence of various conductors over the years.

Whatever their current tribulations, the Big Five are still unmistakably in this category. Unlike less prestigious rivals, who need high-quality conductors to make an impact, the Big Five can support less-than-great conductors and still come out sounding great. Has anyone forgotten the first time they heard the Chicago Symphony? Its tremendous attack, its heavy power and dominant brass

were the hallmark of Fritz Reiner's legendary recordings in the 1950s - and those qualities are still evident today, despite Barenboim's attempts to make it a more sensitive orchestra. By contrast the "Philadelphia Sound", nurtured over a 50-year period by Stokowski and Ormandy, consists of opulence and warmth with an undertone of solidity - qualities that are being revived by Wolfgang Sawallisch, albeit with less sensuousness. The Boston Symphony's brilliant, silvery sound reflects the string-

er Bernstein to Boulez, Mehta to Masur. There is a streak of hardness in his strong, brilliant sound, a reflection not just of the New York environment, but of the pianistic background of its mid-century conductors. These orchestras are always worth hearing, no matter who is conducting. But if you were to ask a panel of critics to pinpoint the personality of the Los Angeles, San Francisco or Pittsburgh orchestras, there would be some scratching of heads. They have good musicians, but however brilliantly they play, the sound is not distinctive. These orchestras do not have the depth of talent of the Big Five, nor do they have the experience of working with the best conductors over a long period of time.

Tradition is a powerful force - and properly nurtured, it has a way of perpetuating itself. The Big Five have maintained their pre-eminence because they carry over a tradition in which many old qualities have been preserved. These qualities are important because they have roots linked to the great composers of the 19th century - where the heart of the symphony orchestra resides.

Thanks to a coterie of people with money and taste - the *svva qua non* for attracting the best musicians - the Big Five developed their reputation by engaging conductors with the most experience, with the most to say about the core repertoire, at a time when conductors still had the power and authority to mould an orchestra's sound. You only have to think of the New York Philharmonic's greatest conductors - Mahler, Toscanini, Walter and Bernstein - to understand where its tradition lies. By and large, these orchestras follow the same principles today. Masur and Sawallisch come from a tradition in southern and eastern Germany which overlaps with Nikisch and Strauss. Barenboim's earliest influ-

ences were Furtwängler and Klemperer. Dohnányi studied with his grandfather, the Hungarian composer Ernő Dohnányi, and learned his craft the traditional way - by working in German opera houses. Boston has developed close links with Bernard Haitink and other conductors rooted in European tradition, so that foundations laid by Koussevitzky can be preserved. The Big Five have the added advantage of being able to attract the best players. You can tell the quality of an orchestra by its depth of competence - whether its back-desk positions are filled by good players or also-rans. Faced with the choice of a job in Pittsburgh at \$64,000 a year or the same job in New York at \$81,120, a good player will choose New York. Better players attract better pupils, which in turn contributes to the quality of artistic life around an orchestra.

Those who believe the Big Five are in decline tend to put a gloss on the past. They forget the ragged attack of the New York Philharmonic under Bernstein, the awful contractual conditions at Chicago and Cleveland under Reiner and Szell. And they forget that any fool can conduct John Adams or create excitement with Stravinsky.

When the Los Angeles and San Francisco orchestras visit Europe in the autumn, they will play almost exclusively 20th century music, leaving the traditional repertoire to their older colleagues. The Pittsburgh Symphony's London programme of Sibelius and Bartók lies somewhere in between. Like Stokowski, Maazel is the kind of conductor who can make any orchestra sound good. But like Tilson Thomas in San Francisco, Salonen in Los Angeles, Leonard Slatkin in Saint Louis or Christoph Eschenbach in Houston, he cannot create a world-class tradition where none exists.

Theatre/David Murray Friendly 'Rivals'

For the Royal Exchange Theatre Braham Murray has directed *The Rivals*, as he did when the theatre opened almost 20 years ago. Back then, Sheridan's comedy of manners in 18th-century Bath housed a whole roster of notable actors; Murray's new cast has a different balance. Here the tetchy elders are unarguably the leading characters (Maureen Lipman as Mrs Malaprop, Tony Britton as Sir Anthony Absolute), to whom his quartet of green young romantics play second fiddles.

That skews the play a little. Murray's production, always good-humoured and sympathetic, tones down the histrionic extravagance of everybody else - as if Sir Anthony and Mrs Malaprop were the only comical freaks. Not so: they are an ornamental bonus upon what is already a ludicrous situation, with wealthy Absolute's son and heir striving to please his faithless *immorata* by masquerading as a poor officer (she dreams of defiant elopement and a Gretchen marriage), while his neurotic friend Faulkland subjects his own, eminently suitable fiancée to groundless doubts and crazy tests.

Unlike Sheridan's later plays, *The Rivals* - his first success - is nowise a social satire. Rather it takes upper-middle *mores* as read, quite unironically, but reveals in individual caricatures. Well-beeled young Jack Absolute ties himself in knots to indulge well-heeled Lydia Langrish's fantasies of rebellion, though she was already his destined match; Faulkland, equally well suited, tries the sappy patience of his Julia with endless self-examination. Those youthful cartoons are the heart of the matter, the tetchy elders just extra flourishes.

At the Royal Exchange, all the young quartet are plain and sincere. The Jack and Lydia, both of them pleasant enough, lack glamour and

speed (perhaps those qualities are suspect in the North, but Sheridan surely expected them). Dominic Rowan and Annabel Mullion try to play them honestly from the "inside", whereas the elaborately grammatical flights that Sheridan assigned them presuppose unembarrassed fluency and flair. Similarly, Jonathan Weir makes his Faulkland an ingrown, true-to-life study in adolescent self-doubts, when he ought to be sending them straight over the top; and Robin Weaver's Julia is sweetly forgiving in a role that cries out to be grieved.

Still, they all earn our friendly attention; and meanwhile their seniors take over. Trading upon his uncannily apt resemblance to Alan Clark (perhaps unaware, perhaps not), Britton makes Sir Anthony a benevolent old goat, mock-underplayed with faultless timing, but a threat to anybody's plans, but a constant blustering delight. And though Miss Lipman began Mrs Malaprop with a false-to lurch toward her every malapropism, which boded ill, she soon settled into her customary effortless charm: quizzically wry, short-fused but easily disarmed.

If Mrs Malaprop has a proper Gorgon side, we never saw it, nor anything else that would jar against Murray's view of the play as amiable comedy. For a few seconds near the end, when she realises at last that supremely eligible Jack is the guilty author of some unforgettably sarcastic letters about her, we hoped for a full-scale explosion. But it never came: she was mollified in a trice, smoothly submerged into the general bonhomie. That was typical of this temperately engaging, biteless production.

At the Royal Exchange Theatre, Manchester, until March 23.

Television/Christopher Dunkley Humane view from Washington

James Cameron in newspapers and René Clément on radio, all of them, perhaps, elated by the horrors of the second world war - he is incapable of wholly suppressing his own humane and liberal instincts. They rarely intrude directly, though at one point he does exclaim "Vintage Nixon; what a hypocrite he was!" and when he interviews politicians about policies on prisons, for instance, you are in no doubt where Wheeler stands.

The opening programme is unrepresentative of the whole in that it is chiefly concerned with politics and politicians. LBJ, pushed into the background of history first by the Kennedy Camelot myth that preceded him, then by the Nixon/Watergate nightmare which followed, emerges as even more of a liberal hero than recent revisionist histories have suggested. One of Wheeler's strengths is that he was present at the time and not only knows the people involved but can produce footage of his own reports from that period. Among the new interviews he has done is one with Lady Bird Johnson in which Wheeler says "if you look at what he [LBJ] was trying to do, he was a social democrat if not a socialist", and

the widow laughs, nods and does not dissent. In this programme there is an eye-opening revelation about an alleged "dirty trick" of Nixon's to keep the South Vietnamese away from the 1968 peace talks and thus gain advantage over Johnson in the presidential election (Nixon won by less than one per cent) but that is not typical of the content of the series.

Wheeler is chiefly concerned with the way in which the greatest economic and military state that the world has ever seen, failed to create a social system at home which would prevent the emergence of an "underclass". He looks back over the civil rights movement, from the Selma march to the death of Martin Luther King, and at the long and depressing history of urban riots - Detroit, Watts, Los Angeles - which began at the same time as that movement, and continued through the years of black vote registration and desegregation, and up to the present day. He also compares appalling scenes of American poverty from the days when he was there and footage shot today which - apart from being in

colour instead of black and white - are virtually indistinguishable. Even those who feel they know a fair bit about the US may find some of his reporting hair-raising. He shows film of the last public hospital in Detroit, a serviceable modern building, being demolished because "not enough patients could pay their bills". He shows the police holding back weeping relatives as mental patients are "re-located" to save money. And he gives a detailed account of how mandatory sentences in minor cases have led to a huge increase in the prison population so that funds are being poured into prison building while education budgets are cut.

After so much reporting on America's troubles over the past 30 years, it takes something out of the ordinary to make as much of an impression as this series does when you stay with it and grasp the full significance of Wheeler's thesis. He does not tell a happy story, but he tells it well. After considering the Los Angeles riots he says "The deeper cause was 25 years of social neglect; too little investment, too few jobs, too much poverty, too few smouldering rage. Once again the ghetto had burned down the ghetto". Do not expect to hear too much scripting of that standard when Wheeler finally retires and the foreign reports are all being made by alternative comedians.

Royal Festival Hall
On the South Bank

21 Feb BBC Symphony Orchestra, Mstislav Rostropovich
22 Feb BBC Symphony Orchestra, Mstislav Rostropovich
23 Feb BBC Symphony Orchestra, Mstislav Rostropovich
24 Feb BBC Symphony Orchestra, Mstislav Rostropovich
25 Feb BBC Symphony Orchestra, Mstislav Rostropovich
26 Feb BBC Symphony Orchestra, Mstislav Rostropovich
27 Feb BBC Symphony Orchestra, Mstislav Rostropovich
28 Feb BBC Symphony Orchestra, Mstislav Rostropovich
29 Feb BBC Symphony Orchestra, Mstislav Rostropovich
30 Feb BBC Symphony Orchestra, Mstislav Rostropovich

THE BACH CHOIR
FENDERECI - Te Deum
WALTON - Orb and Sceptre
WALTON - Belshazzar's Feast
ALISON PEARCE soprano • JANE IRWIN contralto
NEIL JENKINS tenor • STEPHEN ROBERTS bass
PHILHARMONIA ORCHESTRA
Conductors: KRZYSZTOF FENDERECI
SIR DAVID WILLCOCKS
The Bach Choir is a registered charity
Sponsored by Unilever Tickets £28 - £5

21 Feb BBC Symphony Orchestra, Mstislav Rostropovich
22 Feb BBC Symphony Orchestra, Mstislav Rostropovich
23 Feb BBC Symphony Orchestra, Mstislav Rostropovich
24 Feb BBC Symphony Orchestra, Mstislav Rostropovich
25 Feb BBC Symphony Orchestra, Mstislav Rostropovich
26 Feb BBC Symphony Orchestra, Mstislav Rostropovich
27 Feb BBC Symphony Orchestra, Mstislav Rostropovich
28 Feb BBC Symphony Orchestra, Mstislav Rostropovich
29 Feb BBC Symphony Orchestra, Mstislav Rostropovich
30 Feb BBC Symphony Orchestra, Mstislav Rostropovich

The Financial Times plans to publish a Survey on
Franchising
on Monday, March 4th.
This survey will focus on areas such as research for potential franchisees, explores sources of funding available and highlights the specialist help available.
For more information, please contact
Lesley Sumner
Tel: +44 (0) 171 873 3308 Fax: +44 (0) 171 873 3064
FT Surveys

Verdi Rigoletto
20, 22 & 24 February at 7.30pm
The ultimate tale of lust, betrayal and revenge
Massenet Werther
21 & 23 February at 7.30pm
"A compelling performance" - The Times
SADLER'S WELLS
Box Office 0171 713 6000
Tickets £7.50 - £27.50
0171 413 1440

To Advertise Your
Legal Notices
PARKIN GALLERY 11 Motcomb St, SW1
255914 New Paintings ANNA
MAGNADHACHAIN & CAROLINE
BULLOCK W 22nd February

A Changing Selection
of Paintings by
Bonhays Moore
Franklin B Nicholson
Hickson W Nicholson
Hepworth Sir Matthew Smith
Lowry Speer
Lavery Sutherland
Newcomb Wallis, etc.
Scripted by
Abrahamson Moore
Hepworth Shawman
Until 17th February
CRANK KALMAN GALLERY
178 Brompton Rd, London SW3 1HQ
Tel: 0171 584 7566 Fax: 0171 584 3848

SPORT

Sporting Profile

Smash and grab artistry

Simon Hughes on Wasim Akram, a wicket-taker with attitude

Supreme wicket takers are like arch criminals, constantly breaching security to steal the batsman's belongings. Curtly Ambrose is The Terminator, a relentless persecutor; Shane Warne plays the Artful Dodger, a conman sneaking through unlikely gaps.

Wasim Akram is the smash and grab artist, making a great racket to get what he wants. He and Waqar Younis, his fearsome partner, are cricket's equivalent of Bonnie and Clyde - pillaging and leaving few survivors.

They will have claimed a few more distinguished victims before the 1996 World Cup is over. There is absolutely nothing subtle about Wasim Akram. He has the fastest left arm in the business - a whiplash action, like a young sapling suddenly un tethered - the wickedest bouncer, an ogre's appeal.

He will try anything to get a wicket, short balls, yorkers, in-swingers, outswingers, slower balls, even politely admonishing the umpire if his demands for lbw are turned down.

"That must have been out, come on," he often retorts, looking as if he is about to burst into tears.

If a batsman hangs around for long, he takes umbrage, and goes round the wicket. Along with sitting exams and going to the dentist, this is one of the most unpleasant experiences in the world if you are on the receiving end because you cannot see him coming.

Usually the batsman gets an indication of a fast bowler's aggression and intent during the gainful run-up, and can duly prepare for it. When Wasim decides on this alternative angle of attack you can sense those mincing little steps shuffling up behind the umpire, the sharp intakes of breath.

But there is no actual sign of him until he suddenly veers out from behind the official's left ear lobe and pings the ball down at your ribs.

It is fascinating how each leading cricketing country specialises in a different bowling stereotype. Tall lissome pacemen are typical in the West Indies, the Australians produce a more brawny type of fast bowler, in England the miserly seamer rules the roost.

India is famous for its spinners, while Pakistan seems to have a monopoly on whippy swing bowlers. Wherever you look in local parks or playgrounds, callow youths gallop into bowl in

their long floppy shirts slinging down dipping yorkers with perfect MCC-approved actions. There are literally dozens of Wasim and Waqar look-a-likes scurrying about propelling tennis balls encased in black tape.

What marked Wasim out from the teenage crowd was height - he is 6ft 4in - his speed, and his ferocious big hitting. He was soon invited to a camp for the best under-19 players in the country. In the nets there he whizzed a few past the edge of Javed Miandad, who just happened to have popped in for some practice and, at Miandad's insistence, was instantly included in a Patron's XI against the touring New Zealanders.

When Wasim took 7-50 in the first innings, Miandad presumably congratulated himself on his clairvoyance. As is the tendency in Asian countries, the Test selectors wasted no time in showing him further up the ladder, and picked him, aged 18, for the tour of New Zealand.

I was in the country at the time and have vivid recollection of this wiry, bustling youth spreadeagling several batsmen's stumps in Dunedin. He took 10 wickets in that match - his second Test - but spent a lot of time staring indignantly down the wicket during a heroic last wicket stand between the New Zealand captain Jeremy Coney and Ewen Chatfield that cost Pakistan the game.

Whether it is a howl of anguish as the ball just misses the stumps, a shriek of delight when he takes a wicket, or the hands on hips pose when the umpire turns down another appeal, Wasim cannot conceal his feelings.

His explosive nature is both an asset and a hindrance on the field. He produced a series of virtuoso performances when Lancashire signed him on an unprecedented six-year contract in 1988, but was then fined £1,000 by the county after a particularly bad tantrum three years later.

He was sometimes to be seen sitting sullenly on the physiotherapist's table at Old Trafford reluctant to play, then departing in high dudgeon - with his personal chef - when it was pointed out that he was not exactly providing value for money.

Some unkindly suggested it was his bulging wallet hampering his movements; but in his defence he was often in considerable pain from a lingering groin injury, the result of an exaggerated



180 degree pivot of his back foot in delivery.

It is this freak motion which is the secret of his phenomenal success - 239 Test wickets in only 67 matches, approaching 500 wickets in one day internationals. Pretty formidable for someone who is not yet 30. "I don't have to run a long way to get my pace," he says. "The extra zip comes from my wrist and body action."

He alters the angle of his wrist to swing the ball both ways and has mastered the art of making an old, scuffed ball bend alarmingly.

Now lumbered, rather than honoured, with the Pakistan captaincy - a job with about as much security as an English football manager - he has inherited a withering responsibility. He must unify the disparate elements of his team, as Imran Khan did four

years ago, to retain the World Cup in front of his own people.

He is quietly confident: "Australia are definitely the best team in the world right now - but we have got the home advantage. The wickets here are very good and we know how to bat and bowl on them, the crowd will be behind us, too. The first six batsmen are quite capable of winning the game on their

own, and the opener Saeed Anwar is a one day specialist - he is very talented."

There is no doubt he leads a team brimming with talent and confidence but one that still leans on him to pave the way to success.

If Pakistan are to make off with the spoils again they need Wasim to plan the route, carry out the main raids and probably even drive the getaway vehicle.

Indoor Athletics / Pat Butcher

Sorry, I've a flight to catch

The meeting at the National Indoor Arena in Birmingham was moving towards a rousing finale last Saturday with the anticipated denouement of a long and close contest in the men's high jump.

Stenar Hoen of Norway, the European champion, had made a clearance at 2.34m, and on his third and final attempt, Steve Smith, Britain's world championship bronze medalist, topped it with 2.36m, a mark which also led the world rankings.

The crowd was loving it. Smith put on his track suit to keep warm, and the bar was moved up. But where was Hoen?

The announcer suddenly chimed in, without even the good grace to be embarrassed, to tell us that Hoen had had to leave, otherwise he would have missed the last flight to Oslo.

Now, could you imagine Napoli leaving the pitch at San Siro, with the game at 1-1, and 10 minutes to go, because they had heard that the infamous fog was rolling in on Milan's Liniate airport?

Or Steffi Graf, one set all, and six-all against Monica Seles, excusing herself because, say, her dad was suddenly released from jail? Even those people who argue that sport is no more than entertainment nowadays would be inclined to arson if Pavarotti were to waddle offstage during *La Bohème*, because he had run out of breath before Mimi.

Athletics has enough problems without the paying public being insulted in this way. Attendances are down and sponsorship is falling in the UK, the commercial powerhouse of European athletics.

In the US, home of half the Olympic gold medalists in any given year, the federation is having to buy television time - with the Olympic Games in Atlanta in July - in an attempt to stave off wholesale indifference to the sport.

Now, with Hoen's cavalier attitude, those who consider that indoor athletics is merely a novelty, a time-filler, glorified training, in short, a pale imitation of the real thing, have another axe to grind.

Indoor athletics has always had an uneasy relationship with the outdoor "real" variety, at least in Europe. Maybe that was because middle and long distance running, best served in winter by cross-country, was long the god on the old continent; whereas cold winters and concentration on sprinting forced the North Americans indoors as long ago as last century.

Yet look what has happened there. Less than 30 years ago, there was an indoor meeting on each of five successive weekends in Madison Square Garden in New York; and more than 20 around the country. Today, there is only the Millrose Games in New York, and barely a dozen meetings across the country.

The athletes themselves can be fairly proud about indoor competition, as a press conference in Atlanta two days

after this year's Millrose Games proved. Gail Devers, Sandra Farmer-Patrick, Carl Lewis and Michael Johnson all concurred that it was preparation for outdoors. Jackie Joyner-Kersey and Dan O'Brien said, as multi-eventers, that it was an important gauge of "where I am at this stage of the year".

On the other hand, this may be a geographic aberration, for there are more indoor meetings than ever in Europe. And before the Hoen fiasco, there had been some stirring stuff in Birmingham.

Maria Mutola of Mozambique, still coming to terms with the first disqualification of her career, in the world championships last summer, had slashed the 1,000m world record by almost three seconds; Moses Kiptanui had come close to his former world record in the 3,000m; and Tor Jarrett, one of those men

'There is no excuse for short-changing the public, either in the stadium or in front of the box'

seemingly destined to prop up the lower reaches of the rostrum, had one-upped Allan Johnson, the man who had beaten him to the world high hurdles title in Gothenburg, last summer.

At another level, the irrepressible Sergei Bubka has set 18 world pole vault records indoors, compared with 17 outdoors. And his indoor world record is better. So there can be few arguments there. All people really want from sport is good competition.

If Hoen was so worried about his flight he should have asked for the event to be brought forward.

Perhaps he did. As it was, the high jump exceeded the allotted television time, and Smith's success (only topped, so far on the rankings lists by world record holder Javier Sotomayor's 2.37m the following day in Paris) was only seen in the arena.

But there is no excuse for short-changing the public, either in the stadium or in front of the box, in this fashion. The move to professionalism in athletics has been fraught with problems, not the least of them drug-inspired, which surely accounts for much of the public's lack of interest already.

There have been moves in Britain to revive interest in some sort of athletes' union. One of its priorities, which the authorities should also be addressing, is provision for dealing with the sort of attitude which led to Hoen's abandonment without good cause.

Rugby / Huw Richards

Fortune may favour the Welsh

Bryan Redpath will be a key element in Scotland's fast, flexible style

The most surprising thing about Scotland's magnificent start to this year's European Five Nations rugby championship is that so many people have been surprised.

True, the retirement of Gavin Hastings, talismanic captain and full-back, along with Kenny Milne, the hooker, and poor performances against Western Samoa and Italy, suggested that the Scots might struggle. But only last summer Scotland were much the most impressive British team in the World Cup, the only one of the four beaten by New Zealand to give them a decent game.

Last season's Five Nations title dash was halted only by England at their most stifling. Teams can react two ways to the loss of great players. They can decline or others can respond to the greater responsibilities. Rob Wainwright, the new captain, Rowan Shepherd, the full-back, and Kevin McKenzie, the new hooker, have done exactly that. However, none has done better

than the half-back pairing of Gregor Townsend and Bryan Redpath.

If Wales is the ancestral home of British half-back play, the Scottish tradition is scarcely less brilliant. Like the Welsh, Scotland's halves mostly come from a single region - the Border towns doing for them what the industrial west does for Wales.

They also have a happy knack of emerging in pairs; Chisholm and Hastie, Rutherford and Laird, Chalmers and Armstrong, Townsend, a 22-year-old now with Northampton after starting with Gala, and Redpath, the 24-year-old captain of Melrose, are out of the classic mould.

Townsend's mercurial brilliance this season, after missing the World Cup through injury, continues an upward path with few apparent limits.

An international tourist at 19, Townsend was capped at 20 and at 21 proved to be the catalyst for last year's Five Nations' most compelling moment as his dextrous, quick

pass sent Hastings careering to the line for the decisive try against Scotland at Paris.

But the real revelation of the partnership has been Redpath, deftly unobtrusive straightman to Townsend's wizardry. He is not only a key element in Scotland's fast, flexible style but the tournament's senior scrum-half.

Every other team has changed its number nine since the start of the season. Some have had their moments - notably Robert Howley with a dashing defiant try for Wales at Twickenham and Matt Dawson with a magnificent angled across-the-shoulder touch-down, fashioned from England's misdirected line-out ball in Paris. Both Dawson and Howley are former heir-apparents who have finally broken through.

Redpath was not expected to be Scotland's scrum-half of the late 1990s. That was going to be the dynamic Andy Nicol, now with Bath. But as injury restricted Nicol's progress, Redpath has seized his chance

with such conviction that after 17 caps his status among Europe's number nines matches his seniority, making him clear front-runner for a place on next year's British Lions tour of South Africa.

Gary Armstrong, still pressing for a recall from the bench, was the supreme exponent of scrum-half as fourth loose-forward. Redpath is of the school of Robert Jones and Dave Lovridge, an unobtrusive craftsman with quick hands, all-round footballing skills and a cool head.

His sharp eye for an opportunity was amply demonstrated in his creation of both Scottish tries in the victory over France. The first came from an artfully angled cross-kick, exposing threadbare French cover, the second a sharp exchange of passes with Townsend followed by a darting lateral run and impeccably timed long pass.

Those who wrote Scotland off now talk of a Grand Slam showdown, paralleling 1990 and 1995, with England next

month. But they still have to beat Wales today.

Favourites at last, Scotland may find that fortune continues to favour the underdog. Error-strewn and physically overwhelmed Wales may have been at Twickenham, but for the first time in years we saw a Welsh team playing without fear, putting its faith in imagination where too many of their recent predecessors settled for damage-limitation.

Scotland are unlikely to stifle Wales as physically as England did. This does not mean Scotland will not beat England - this season's teams seem to have the characteristics of the traditional children's game of scissors, paper, rock.

The Scots habitually struggle at Cardiff, with only four wins since the second world war, the last in 1990. They deserve better than to have their season spoilt. But if it does happen it should be done in style. In a meeting of the two sides which have shown a real sense of the possibilities of the game.



Bryan Redpath offloads the ball after a tackle from Frenchman Fabien Toulouse

No such confidence attaches to France v Ireland, a re-run of one of the World Cup's stinkers. Two games have shown how far France's present reality falls short of their free-flow-

ing image. But like England, they have the brute power to compensate for creative deficiencies.

Ireland loathe the Paris - de Valera was still president. And the odds are that Mary McElroy, the country's president today, and her countrymen, will find their 24-year wait extended.

مكتبات الصحف

هنا امن الاصل

INTERNATIONAL ARTS GUIDE

What's on in the principal cities

AMSTERDAM

CONCERT Concertgebouw Tel: 31-20-5730573
Maria João Pires: the pianist performs works by J.S. Bach, Chopin and R. Schumann: 8.15pm; Feb 18
Pittsburgh Symphony Orchestra: with conductor Lorin Maazel perform Bartok's Concerto for Orchestra and Tchaikovsky's Symphony No.4; 8.15pm; Feb 20

BERLIN

CONCERT Konzerthaus Tel: 49-30-203092100/01
Berliner Sinfonie-Orchester: with conductor Michael Schoenwandt and pianist Yuko Yokoyama perform Beethoven's Piano Concerto No.5 and Symphony No.7, and the world premiere of a new work by André Warner; 8pm; Feb 24, 25, 26
Orchester der Deutschen Oper Berlin: with conductor Lawrence Foster perform works by Weber, Bernstein, Enescu and Herbert; 8pm; Feb 19, 20

Rundfunk-Sinfonieorchester Berlin: with conductor Rafael Frühbeck de Burgos, alto Cornelia Kallisch and the Rundfunkchor Berlin perform Symphony No.3 and choral works by Brahms; 8pm; Feb 22, 23
Philharmonie & Kammermusiksaal Tel: 49-30-254880
Berliner Philharmonisches Orchester: with conductor Claudio Abbado perform Beethoven's Symphony No.1 and Bruckner's Symphony No.7; 8pm; Feb 22, 23, 24
Berliner Philharmonisches Orchester: with conductor Simon Rattle and soprano Christine Schäfer and Christine Cairns perform Mahler's Symphony No.10 and excerpts from Berlioz's Béatrice et Bénédict; 11am; Feb 18

Jeremy Menuhin: the pianist, with violinist Mi-Kyung Lee, viola-player Barbara Westphal and cellists Alexander Baillie and Frank Dodge perform works by Beethoven, Britten and Arensky; 8pm; Feb 22
EXHIBITION Alte Nationalgalerie Tel: 49-30-20355500
Wilhelm von Bode und die zeitgenössische Kunst: an exhibition to commemorate the 150th anniversary of the birth of the former museum director and maecenas; to Feb 25

Deutsche Oper Berlin Tel: 49-30-3438401
Aida: by Verdi. Conducted by Fabio Luisi and performed by the Deutsche Oper Berlin. Soloists include Marcia Ballew, Julie Varady, Simon Estes and Vladimir Bogachov; 7.30pm; Feb 21
Komische Oper Tel: 49-30-2026000
Carmen: by Bizet. Conducted by Shao-Chia Lu and performed by the Komische Oper. Soloists include Schmiede, Wiedstruk, Wilson and Dobber; 7pm; Feb 18

BONN EXHIBITION Kunst- und Ausstellungshalle der Bundesrepublik Deutschland Tel: 49-228-9171200
Claes Oldenburg: an anthology: containing 200 drawings, collages and sculptures, the exhibition bears witness to the creativity of this artist, one of the leading figures of American art associated with the Pop Art movement. On display will be works from the cycles "The Street" and "The Store, Soft Objects" from the 1970s as well as models of his monumental sculptures; from Feb 23 to May 12

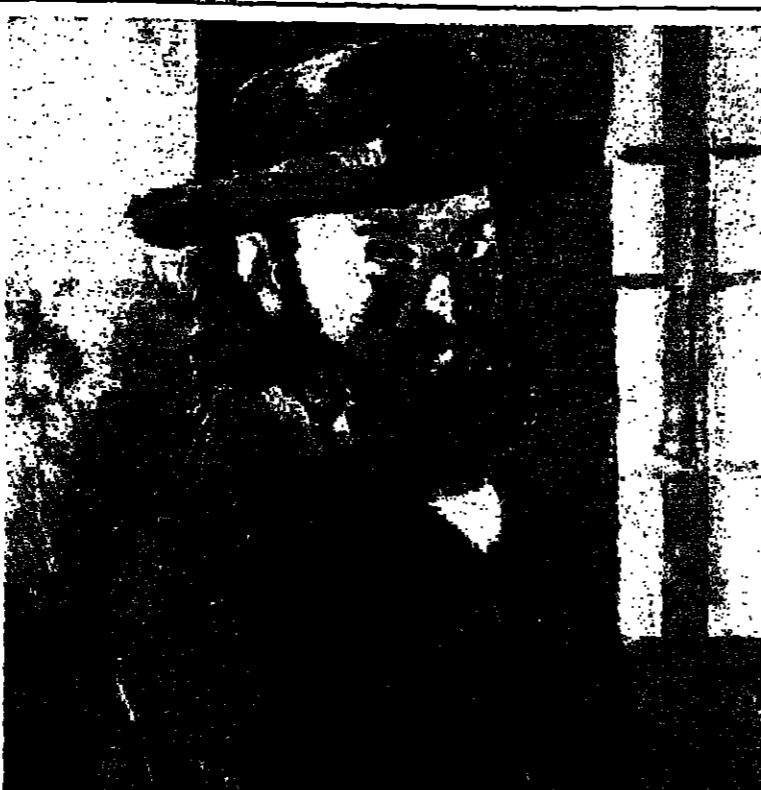
OPERA Oper der Stadt Bonn Tel: 49-228-7281
Fidelio: by Beethoven. Conducted by Marcello Panni and performed by the Oper der Stadt Bonn. Soloists include B. Daniels, A. Hoffmann, M. Volle and A. Steblanko; 7pm; Feb 24

BOSTON CONCERT Boston Symphony Hall Tel: 1-617-265-1492
Die Jahreszeiten: by Haydn. Performed by the Boston Symphony Orchestra with conductor Marek Janowski. Soloists include soprano Ruth Jessak, tenor Christoph Ringardien and bass Alexander Miles; 8pm; Feb 22, 23, 24, 27

EXHIBITION Museum of Fine Arts Tel: 1-617-267-9300
Winslow Homer: this exhibition features 180 paintings, watercolours and drawings which address every stage of the artist's career. Some themes represented in the retrospective include the Civil War, scenes of the 1870s and the Prout's Neck seascapes of the 1890s; from Feb 21 to May 26

CAMBRIDGE (US) EXHIBITION Fogg Art Museum Tel: 1-617-495-9400
Shades of Significance: Tonal Values in Abstract Art: this exhibition explores the multi-faceted nature of abstraction by focusing on works created with monochromatic palettes by such artists as Josef Albers, Jasper Johns, Franz Kline, Louise Nevelson, Gerhard Richter, Mark Rothko and Aaron Siskind; to Feb 25

CAPE TOWN CONCERT City Hall Tel: 27-21-4617084
The Cape Town Symphony Orchestra: with conductor Jorge Mester and harpist Mario Falcao perform works by Adams, Ginastera.



Portrait of Cézanne 1879-82: part of the new exhibition in London

Rajna and Stravinsky; 8pm; Feb 22
MUSICAL Nico Theatre Complex Tel: 27-21-215470
West Side Story: by Bernstein. Directed and choreographed by Alan Johnson, based on the original choreography by Jerome Robbins. Performed by the Capa Philharmonic Orchestra with conductor Graham Scott. Soloists include Robert Finlayson, Juanita Kruger, Joe Clark, Samantha Deo, Neville Thomas and Dale Cutts; Mon 8pm, Tue-Thur 7.30pm, Fri 6pm & 9pm, Sat 2pm & 7.30pm; to Feb 24 (Not Sun)

COLOGNE CONCERT Kölner Philharmonie Tel: 49-221-2040820
András Schiff: the pianist performs works by Bartók and Haydn; 8pm; Feb 21
EXHIBITION Wallraf-Richartz-Museum Tel: 49-221-2212372
Vom Spiel der Farbe - Armand Guillaumin (1841-1927). Ein vergessener Impressionist: retrospective exhibition devoted to the work of the French Impressionist Armand Guillaumin, a close friend of Pissarro and Cézanne. The display includes more than 100 paintings, 50 drawings and his graphic works; from Feb 24 to May 5

JAZZ & BLUES Kölner Philharmonie Tel: 49-221-2040820
KölnMusik Big Band: with conductor Jerry van Rooyen and vocalists Madeline Ball and Humphrey Campbell perform jazz music; 8pm; Feb 23

COPENHAGEN DANCE Det Kongelige Teater Tel: 45-33 14 10 02
Romeo and Juliet: a choreography by Frederick Ashton to music by Prokofiev, performed by the Royal Danish Ballet; 8pm; Feb 19, 22, 27, 28; Mar 1, 2, 3

EXHIBITION Statens Museum for Kunst - Royal Museum of Fine Arts Tel: 45-33 91 21 26
Rembrandt: exhibition of works on paper by the Dutch master. The display includes the museum's collection of drawings and etchings by Rembrandt, supplemented by loans from foreign collections; from Feb 24 to May 12

DENVER EXHIBITION Denver Art Museum Tel: 1-303-640-2793
Mongolia: Legacy of Genghis Khan: this exhibition features religious and secular art from Mongolia's national museums. The show offers a panoramic view of Mongolian art and culture from the 17th to the early 20th century; to Feb 25

DRESDEN OPERA Sächsische Staatsoper Dresden Tel: 49-351-49110
Elektra: by R. Strauss. Conducted by Friedemann Layer and performed by the Sächsische Staatsoper Dresden. Soloists include Carla Pohl, Helga Thiede and Klaus König; 7.30pm; Feb 23, 28

DUBLIN CONCERT National Concert Hall - Geoláras Náisiúnta Tel: 353-1-6711533
National Symphony Orchestra: with conductor Kasper de Roo and organist Peter Sweeney perform Wilson's Rich Harbour and Bruckner's Symphony No.3; 8pm; Feb 23

ESSEN EXHIBITION Museum Folkwang Tel: 49-201-8845314
Graphische Künste in Frankreich und Deutschland um die Jahrhundertwende: exhibition which accompanies the Valotton retrospective in the same museum. All works are from the museum's permanent collection and show the influence of the Nabis on German and French artists at the turn of the century; to Feb 25

FLORENCE CONCERT Teatro Comunale Tel: 39-55-211158
Symphony No.5: by Mahler. Performed by the Orchestra del

Tosca: by Puccini. Conducted by Alex Ingram and performed by the English National Opera. Soloists include Janice Cairns, David Rendall and Philip Joff; 7.30pm; Feb 23
Royal Opera House - Covent Garden Tel: 44-171-2129234
Aida: by Verdi. Conducted by Jan Latham-Koenig and performed by the Royal Opera. Soloists include Andrea Gruber, Markella Hatzianou, Sidonie Winter and Sidwell Hartman; 7.30pm; Feb 21, 24

MADRID CONCERT Auditorio Nacional de Música Tel: 34-1-3370100
Orquesta Nacional de España: with conductor Wojciech Michniewski, violinist Domingo Tomás and clarinetist J. Tomás perform works by Arensky and Prokofiev; 7.30pm; Feb 23, 24, 25 (11.30am)

MARSEILLE OPERA Opéra de Marseille Tel: 33-91 55 00 70
Radamisto: by Handel. Conducted by Steuart Bedford and performed by the Opéra de Marseille. Soloists include Stutzmann, Penzquin, Pearce and Ferrari; 8.30pm; Feb 25 (2.30pm), 27, 29; Mar 2

MILAN CONCERT Teatro alla Scala di Milano Tel: 39-2-72003744
Maurizio Pollini: the pianist performs sonatas by Beethoven; 8pm; Feb 18

MUNICH CONCERT Philharmonie im Gasteig Tel: 49-89-48098506
Münchner Rundfunkorchester: with conductor Bruno Weil, soprano Angela Maria Sisti, tenor Deon van der Walt and baritone Anton Scharfner perform works by Kálmán; 8pm; Feb 18
Symphonieorchester des Bayerischen Rundfunks: with conductor Semyon Bychkov and cellist Mischa Malsky perform Haydn's Cello Concerto No.1 and Bruckner's Symphony No.9; 8.05pm; Feb 23, 24

NATIONALTHEATER Tel: 49-89-21851920
La Traviata: by Verdi. Conducted by Jun Märkl and performed by the Bayerische Staatsoper. Soloists include Tiziana Fabbricini, Anna Salvan, Ramon Vargas and Paolo Gavaneli; 7pm; Feb 21

NEW YORK CONCERT Avery Fisher Hall Tel: 1-212-875-5000
Symphony No.6: by Mahler. Performed by the New York Philharmonic with conductor Daniele Gatti; 8pm; Feb 22, 23, 24, 27 (7.30pm)
Carnegie Hall Tel: 1-212-247-7800
Koninklijk Concertgebouworkest: with conductor Riccardo Chailly and violinist Maxim Vengerov perform works by Wagenaar, Sibelius and Tchaikovsky; 8pm; Feb 23

OSLO EXHIBITION Kunstindustrimuseet i Oslo - Museum of Applied Arts Tel: 47-22-203578
Royal Glass: the exhibition presents an overview of the glass used at the Danish court. The exhibition covers the period from 1650 until today with emphasis on the engraved Baroque goblets produced at Noestangen Glassworks in Norway for the Danish court; from Feb 24 to May 5

PARIS CONCERT Salle Gaveau Tel: 33-1 49 53 05 07
Aniko Szeged: the pianist performs works by Chopin; 8.30pm; Feb 23
Vladim Repln and Boris Beresovsky: the violinist and pianist perform sonatas by Hindemith, Ernst, Grieg and Prokofiev; 8.30pm; Feb 21
Salle Pleyel Tel: 33-1 45 61 53 00
Pittsburgh Symphony Orchestra: with conductor Lorin Maazel perform Bartok's Concerto for Orchestra and Beethoven's Symphony No.3 (Eroica); 8.30pm; Feb 19

DANCE L'Opéra de Paris Bastille Tel: 33-1 44 73 13 99
Ballet de l'Opéra National de Paris: perform three choreographies by George Balanchine to music by Tchaikovsky; Sérénade, Pas de deux, and Allegro Brillante. Alexander Anisimov conducts the Orchestra de l'Opéra National de Paris; 7.30pm; Feb 19, 22, 24, 26

EXHIBITION Musée du Petit Palais Tel: 33-1 42 65 12 73
L'Ombre du Vésuve: exhibition of some 80 works from the collection of the National Archeological Museum in Naples. The exhibition is centred on three themes: the museum's historical collections, the cities Pompeii, Herculaneum and Stabies that were wiped out by the eruption of the Vesuvius in 79AD, and the south of Italy between the 6th century BC and the 2nd century AD; to Feb 25

OPERA Théâtre des Champs-Élysées Tel: 33-1 49 52 50 50

The Gambler: by Prokofiev. Conducted by Valery Gergiev and performed by the orchestra, choir and ballet of the Kirov Opera. Soloists include Mikhail Kit, Olga Korjenkaia, Olga Markova-Mikhailienko and Yuri Marousine; 7.30pm; Feb 19, 20, 21

CONCERT Le Grand Théâtre de Québec Tel: 1-418-644-6921
Orchestre Symphonique de Québec: with conductor Pascal Verrot and violinist Raphael Oleg perform works by Sibelius and Tchaikovsky; 8pm; Feb 20, 21

CONCERT Accademia Nazionale di Santa Cecilia Tel: 39-6-3611064
Orchestra dell'Accademia di Santa Cecilia: with conductor Sir Neville Martin and violinist Leila Josefowicz perform works by Rossini, Tchaikovsky and Elgar; 5.30pm; Feb 18, 19 (9pm), 20 (7.30pm)

CONCERT Louise M. Davies Symphony Hall Tel: 1-415-864-6000
San Francisco Symphony: with conductor Alasdair Neale, violinist Nadja Salerno-Sonnenberg and pianist Louis Lortie perform works by Bartok, De Falla and Rimsky-Korsakov; 8pm; Feb 21, 22, 23, 24

CONCERT Kunigunda Teatern - Royal Swedish Opera House Tel: 46-8-7914300
La Nozze di Figaro: by Mozart. Conducted by Markus Lehtinen and performed by the Royal Opera Stockholm. Soloists include Gunnar Lundberg, Lena Hoel and Rolf Cederlöf; 7pm; Feb 19

CONCERT Dr Anton Philipszaal Tel: 31-70-307821
Residentie Orkest: with conductor Evgeny Svetlanov perform Deebenbroek's Marsyas Suite and Shostakovich's Symphony No.5; 8.15pm; Feb 23, 24

EXHIBITION Haags Gemeentemuseum Tel: 31-70-3381111
Constant - Aquarellen 1975-1995: the first retrospective of the Cobra-artist's watercolours, which coincides with a painting retrospective in the Stedelijk Museum, Amsterdam. Most of the 85 watercolours in the exhibition come from private collections; to Feb 25

CONCERT Teatro Regio Tel: 39-11-88151
La Bohème: by Puccini. Conducted by Daniel Oren and performed by the Teatro Regio. Soloists include Giuseppe Sabbatini and Mirella Freni; 8pm; Feb 19

CONCERT Konzerthaus Tel: 43-1-7121211
Dawn Upshaw: accompanied by pianist Marco Gerratt. The soprano performs songs by Fauré, Ruth Crawford Seeger, Berg, Barber and Mussorgsky; 7.30pm; Feb 23
Mitsuko Uchida: the pianist performs sonatas by Schubert; 7.30pm; Feb 23
Musikverein Tel: 43-1-5058681
Kathleen Battle: accompanied by pianist Cliff Jackson. The soprano performs songs by Wolf, Liszt, Handel, R. Strauss and Granados; 7.30pm; Feb 19

Wiener Volksoper Tel: 43-1-514442960
Zar und Zimmerman: by Lortzing. Conducted by Asher Fisch and performed by the Wiener Volksoper. Soloists include Birgit Steinberger, Boje Skovhus, Herwig Pecoraro (Feb 23, 27), Peter Jostits (Mar 2) and Walter Fink; 7pm; Feb 23, 27; Mar 2

CONCERT Teatr Wielki/Opera Narodowa - Grand Theatre/National Opera Tel: 48-22-263289
Polish National Ballet: perform a choreography by Cristoph Pastor to Gorecki's Symphony No.3. Soloists include Ewa Stowicka and Elizabeth Kwiatkowska; 8pm; Feb 18, Mar 1 (7pm)

CONCERT Concert Hall Tel: 1-202-467 4600
National Symphony Orchestra: with conductor Eri Klas and violinist Thomas Zehetmair perform works by Liadov, Prokofiev, Davids and Tchaikovsky; 8.30pm; Feb 22, 23, 24, 27 (7pm)

CONCERT Tonhalle Tel: 41-1-2063434
Tonhalle-Orchester: with conductor David Zinman and pianist Hélène Grimaud perform works by Wagner, R. Schumann and Brahms; 7pm; Feb 21

OPERA Opernhaus Zürich Tel: 41-1-268 6666
Fidelio: by Beethoven. Conducted by Nikolaus Harnoncourt and performed by the Oper Zürich. Soloists include Inga Nielsen and Alfred Muff; 7.30pm; Feb 21

Listing compiled and supplied by ArtBase The International Arts Database, Amsterdam, The Netherlands. Copyright 1996. All rights reserved. Tel: 31 20 664 8441.

CHESS

Machines are back on the march.

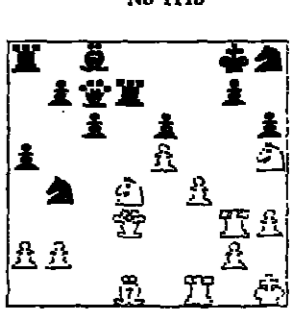
Last weekend IBM Deep Blue, the world's most powerful chess computer, crushed Garry Kasparov in 37 moves in the opening round of a six-game series in Philadelphia for a \$500,000 prize fund. Kasparov has already lost to computers at blitz (five minutes per player per game) and rapid (25 minutes) chess, but grandmasters believed that the more strategic pace of slower classical chess was better for humans.

Now another cherished illusion has bitten the dust. They are playing at the classical rate of 40 moves in two hours, but last night the score was 2-2, with Kasparov's unbeaten match record in danger (IBM Deep Blue, White; G Kasparov, Black; Sicilian).

1 e4 e5 2 c3 A shrewd choice by Deep Blue or its programmers. Kasparov has little experience against the pawn push. d5 3 exd5 Qxd4 4 d4 Nf6 5 Nf3 Bg4 6 Be2 e6 7 h3 Bb5 8 0-0 Nf6 9 Be3 exd4 10 exd4 Bb7: Be1 is the solid play.

Qxf6? 19 Nf7.gxf6 19 Nc4 Rfd8 20 Nxb6 axb6 21 Rfd1 f5 Bf1 is better 22 Qe3 Qf6 23 d5! A brilliant idea, gambiting a pawn to double or isolate all Black's remaining pawns.

Rxd5 24 Rxd5 exd5 25 h3 Kh6 26 Qxb6 Rg6 27 Qe4 d4 Qe5 still gives chances to draw 28 Nd6 f4 29 Nxb7 Ne5 30 Qd5! f3 31 g3 Nd5 32 Re7 Rg6 33 Nd6 Re1+ 34 Kh2 Nxf2 35 Nxf7+ Rg7 36 Ng5+ Kh6 37 Rxf7+ Resigns. Kg6 38 Qe8+ Kf5 39 Nxf5 leaves Black's game in ruins.



Alekhine v West, Portsmouth 1923. White's pieces menace the black king, but his own queen is threatened. What should he play? Solution Page 11

Leonard Barden

BRIDGE

Maintaining communication with dummy often causes problems for the declarer. But when a suit also breaks unkindly, the problems may seem insurmountable.

W N E
A K Q
10 9 8 6 3
K J
7 5 3

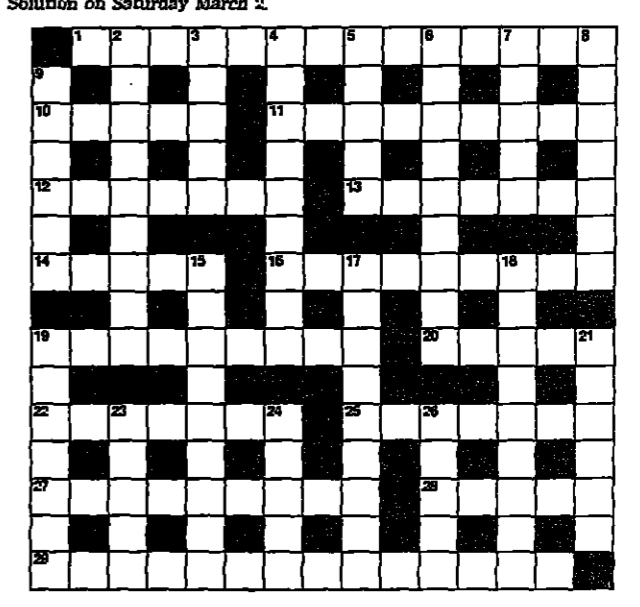
4 3 7 4 2 10 6 5 2
Q 10 8 7 5 4 2 6 3
2 1 K Q J 10 8

With North-South vulnerable, North dealt and opened with one heart. East over-called with two clubs and South bid two spades. North raised to three spades - in spite of his strong spades, he cannot bid more. South showed interest in a slam by a cue-bid of four clubs. North stolidly said four spades but South went to six.

E.P.C. Cotter

CROSSWORD

No. 8,996 Set by DINMUTZ
A prize of a classic Pelican Souvenir 800 fountain pen for the first correct solution and five runner-up prizes of 250 Pelican washers. Solutions by Wednesday February 25, marked Crossword 8,996 on the envelope. To the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday March 2.



Name:
Address:

ACROSS
1 Legally sold (finished with the suffix) (1,3,7)
2 The dawn of America (3,2)
11 What is a dog-and-a-half long and half-a-dog high? (9)
12 It receives signals - girl takes number in (7)
13 A builder, perhaps, finishing early is loud enough to be heard (7)
14 Pass into some alien territory (5)
15 To go about seeking pleasure, but courteous about teatime (9)
17 Distances across Bristol and Lancaster, for example (9)
20 You formerly led a fleet of nine (5)
22 Bucks, possibly, for poor performers in sport (7)
25 Where men stood in silly positions? (7)
27 Setting aside (legal gains, to include mark) (9)
28 Advantages announced in the city (6)
29 Value of tar - the very last to join ship? (14)
Solution 8,996

DOWN
3 Card game for the majority of the French (5,2)
4 Very opposite of cheating in this racecourse? (5)
5 Conceal senior guide, would you say? One has showy bloomers! (9)
6 Merger of firms taking a powder? (5)
7 Words of encouragement for those raising issue? (3,1,5)
7 Little Tom's hut adopted by doctor (5)
8 Old penny in modern keeping is a very small sun (3,4)
9 Belongings in station (6)
15 Relaxing thoroughly, not moving in the saddle (7,2)
17 Enduringly, city's in a state of excitement (9)
18 An underground story of dishonour and degradation (9)
19 Brave way to go on it into battle (7)
21 Nuts, I'd go out for a tanner (6)
23 Black as the Italian herb: (6)
24 Slip of a child? (5)
25 Shell of oil in spillage (5)
Solution 8,994

WINNERS 8,994: J. Bishop, Hook Norton, Oxen S. Cook, Rainham, Kent; Mrs A.M. Hewitt, Woodsetts, Notts; B.C. Jarvis, Lowestoft; Mrs A.V. Longster, Charlton Kings, Glos; G. Ridley, Brighton, Sussex.



James Morgan

The last word and the dernier cri

The French and the English are following different agendas with their native tongues

It is inevitable that the French should launch another campaign to save their language while the British seek, as we saw last week, the abandonment of any concept of good English. Again one marvels at the irreconcilability of attitudes on the two sides of the Channel.

Le Figaro has mounted a campaign to save what it calls a "masterpiece in peril". A multi-page spread began with "The 10 threats which weigh on the French language". It lavishly illustrated the sources of the danger: a bar announcing its "Happy Hours"; a

hairdresser offering "Tresses, curly, wave, shampoo, brushing"; the new Renault called Next. The paper thought it "incomprehensible" that such borrowings were not given French spellings. It proposed *hidair* (leader) *jobe* (job) and *ouiquinde* (weekend).

And many French words are taking on alien meanings: *confortable* and *ruiner* have been lost to Anglo-American. The cyberworld, entertainment and bad teaching wreak more damage while the weakness of the "cultural class" removes linguistic defences.

But one dissident writer, Raphaël Confiant told *Le Figaro*: "The

French language is threatened less by English than by the linguistic Jacobinism that has punished France for three centuries. We have to blame the decline on all those who struggled to 'degasconise' the language - a policy reaffirmed and legitimised by the Revolution." And that stemmed from the attempt to abolish what Confiant called "the roots of French".

This view is Anglo-Saxon. The French language was deliberately restructured and ancient patois eliminated to reinforce national cohesion. The British have gone the other way and today make a fetish of variety. So they provide the only

national broadcasting networks that routinely permit regional dialects joint access with what might be regarded as the standard form.

The dominant view was encapsulated last weekend in a radio discussion of the current lectures defending English indisciplinately. The writer Germaine Greer exulted before a radio audience in the "vigour, power, suppleness" of English, stressing her delight that her first and last words on this earth would be uttered in this marvellous tongue. A monoglot audience applauded frantically.

We learn much from last words. There is the famous story of George

V, who was told on his deathbed that he should take a rest in Bognor, a Sussex resort. "Bugger Bognor," he is said to have replied, and promptly expired. I have wrestled to find a French equivalent and the best I can do is *Que Bognor aille se faire foutre* which lacks the force of the English. But then power and vigour is not what French is about. Clarity, as the essayist Antoine de Rivarol remarked 200 years ago, is what matters: "If it's not clear it's not French."

French is so clear that it goes to fantastic lengths to remove any chance of ambiguity. For example: *Qu'est-ce que c'est que ce chien?*

Once you have staggered through six pronouns, two verbs and a noun it is no surprise that you find a precise version of what in English is so loosely rendered as "What's that dog?"

Everyone thinks his language is best. I have been told, when trying to translate a bit of Dutch, that English is incapable of reproducing the subtlety of meaning involved. A secret policeman at a Romanian Communist party conference told me that English could in no way match the richness of his tongue. (It has a famous sonnet which begins, "Most sweet and beautiful is the language we speak.")

Each language does what its speakers want it to. The English believe theirs can do anything. Actually it is very bad at some things. It permits Bill Clinton to open a speech with the words "My fellow Americans", but there is no equivalent for John Major. (My fellow Britons? My fellow Englishmen?) In fact English is very embarrassed about being English. British intellectuals are delighted when its rules are broken while the French go mad at the first sign of flexibility. *L'entente cordiale, c'est une happy-hour ruine.*

James Morgan is economics correspondent of the BBC World Service.

With his big hands, bulky figure and open countenance, he looks like an Irish farmer. The impression is reinforced by a soft voice and a manner benign to the point of diffidence.

Even the Domesday message about extinction of species that he is propagating these days sounds strangely lacking in urgency.

Can this be the bullying, arrogant Richard Leakey described by old Kenya hands? Is this the pushy palaeontologist, the ruthless hunter of elephant-poachers, the political activist denounced by Kenya's president and beaten up - though both his legs are amputated below the knee - by unknown hitmen?

It is, and it isn't.

It is often reported that the young Richard Leakey - despite leaving school at 15 without scientific qualifications - beat his own father, Louis, to the post of director of the national museums of Kenya. Not so, says Leakey junior. His father had retired as director and was on the board of trustees, recommended his son, and only disapproved of some of his subsequent innovations.

He admits he felt the competitive pressure of growing up with a famous father. Following him into palaeontology, he put together a team of excavators at Lake Turkana which built on his father's success in uncovering the bones of early hominids.

"It wasn't a question of trying to outdo him or outshine him," he said.

Then there is the long-standing rift with his look-alike brother, Philip. Philip was formerly an MP for Kenya's ruling Kanu party and briefly ruling minister. Richard, a co-founder of the unrecognised opposition Safina party (it means "boat", or "ark") is trying to stitch together an alliance to challenge the corruption he sees permeating President Daniel arap Moi's administration.

When I asked what the grudge was between the brothers, he replied: "I feel a tremendous debt of gratitude. I wouldn't be sitting talking to you if it hadn't been for him, and how could one have a grudge on that basis?"

When Richard suffered from progressive kidney failure, due to a fault in the auto-immune system, Philip gave him one of his own in 1979. It keeps him alive. "I've made a promise," he said. "Philip gave me a kidney and I will not comment about his comments. And I think I should stick to that."

If Leakey has - or had - the knack of rubbing people up the wrong way, that is nothing compared with the fury he seems to have inspired in President arap Moi.

In 1989 arap Moi appointed him head of the Kenya Wildlife Service, which Leakey regarded as one of the most



Richard Leakey: 'I have absolutely no sensitivity about what happens several generations from here'

Johnny Hathwood

Private View / Christian Tyler

The taming of an African bull

corrupt government departments in the country.

You went to work for arap Moi, I said. Why, if you thought the regime was so riddled with corruption?

"At that stage I felt one might best help by working within the system." Experience, he said, taught him otherwise. And when - according to his version - arap Moi refused to back him against powerful colleagues, he resigned and set up his own political party.

He claims the president's attacks on his reputation came as a surprise - and provided useful publicity. "My conscience is entirely clear. I certainly haven't sought personally to pull his tail. It's not him that concerns me. It's the country, the government - or the lack of it."

Do you want to be president of Kenya?

"Certainly not. I will not be president of Kenya."

When I asked Leakey what has driven him through his several, colourful careers, he said: "I wish I knew."

Is it impatience? "It may have been, once. I'm not sure it is any more. I'm a very patient man now."

Why is that?

"I think I've had enough time to think things through.

Sitting in bed waiting for your feet to be cut off gives you a lot of reflective time."

In 1993 the Cessna aircraft he was piloting suddenly lost power and crashed, ruining his legs. After much investigation he has decided to regard the crash as an accident.

He gave me a rundown of the mechanical possibilities and concluded: "In the absence of any factual evidence, it's just easier to treat it as an accident and not keep worrying that someone is trying to kill you."

So you're a different person now?

"I think I must be," he said. "But whether it's a consequence of conscious effort or a consequence of middle age (he is 51), I'm not sure. It might be due to my larger girl."

A trauma such as the one you suffered could have something to do with it?

"It could have."

More than you realise?

"Well, people have suggested it was. I wouldn't go so far as to agree with that."

You were very gung-ho about the whole episode, I said, judging from the accounts I've read.

"It seems to me in a situation like that you have two choices: either to get on and live openly, or to take it within yourself and feel sorry for

yourself. And that's not my nature."

Leakey is achieving something close to hero status these days. Brought to London this week to lecture on the theme of his new book, he was applauded by a 1,000-strong audience as if he were a returning war hero. His rating

'Fear is not part of my make-up. I was not frightened by the kidney disease or the amputations'

improved even further when he elegantly discounted the effusive introduction by the Oxford biologist and current media darling, Richard ("Selfish Gene") Dawkins, with the comment that he had just witnessed an example of famous British understatement.

Have you become more modest, too?

"I probably tend not to say many of the things which gave me the reputation of being

immodest."

Were you unfairly described as arrogant before?

"Well, enough people said it so there has to have been a basis for it. I never thought of myself as an arrogant person, but many of my friends and less friendly associates made it clear they thought I was. And they can't all be wrong."

"I've never spent a great deal of time trying to find myself. I suppose I was raised with the philosophy that it's better to be honest even if it hurts than to be duplicitous to save people's feelings."

"In being honest, not tempered by diplomacy, I may have gained a reputation for being ruthless and arrogant. It doesn't particularly concern me what people think. Doing things the way I have, I've achieved what I have."

"People say I was not a team person. I was a general. But if you're trying to stop elephant poaching and control 2,000 men in uniform with guns you have to be a general."

Leakey says he has had a fulfilled and happy life. "I've always done what I wanted to do."

Have you been frightened?

"No. Fear's not a part of my make-up. I was not frightened by the kidney disease or by the amputations."

Are you afraid for your safety in Kenya?

"No. If I was I wouldn't do what I'm doing." The harassment doesn't keep you awake at night?

"Not at all. I sleep very well."

You must be missing a gene for self-preservation, I said.

He laughed. "I'm sure we are all missing something."

Is it self-confidence that protects you?

"Fatalism, maybe. That's the explanation I'm often given."

It sounded like the clue to an apparently thick-skinned character. It was also the cue for the indecent question.

How is your health now?

"A hundred per cent now. There is a theory that I'm very ill and that's why I'm doing these suicidal things." He laughed. "But I'm extremely well." He explained that the longer a person lives with a sibling graft, the longer they are likely to live.

So you're not preparing to die?

Does mankind as a species deserve his place?

"I don't think it arises. We're here."

Does it matter if man gets wiped out?

Leakey laughed. "If I'm around it does."

And if you're not?

"I think in the large scheme of things, probably not. It doesn't matter if there's a Planet Earth."

"The Sixth Extinction, by Richard Leakey and Roger Lewin. See review, Page XIII.

"On the contrary. What do you hope to do in the remaining time?"

"I don't feel I need to do any more, to prove anything. I'm delighted that other people are making finds. I'm very supportive of other research. I think I demonstrated that a wildlife park can work. As far as politics I will certainly stay with it up to the next election."

And then? "Then I suppose it comes down to... in a sense it's immortality, you see."

How will you get that?

"Well, you may think I'm being facetious but I'm really not. I've started a vineyard and if I could devote a large part of the remainder of my life to producing a good wine from Kenya, I would have time to do other things like seeing Antarctica and South America, and do some more writing entirely by myself."

Leakey the Viticulturist was an image both fitting and improbable. Wanting to dig out the fatalist again, I reverted to the extinction theme of his book - that mankind is wiping out other species at a rate which could be prejudicing his own survival.

Do you like people?

"I like individual people."

For some animal-lovers the thought of a giant asteroid coming and knocking us out is rather comforting.

"No, I wouldn't put myself in that group."

They say, I persisted, we don't deserve our place on the planet because we've made such a cock-up of it.

"I have absolutely no sensitivity about what happens several generations from here. But the generations I know, I care about."



Peter Aspdén

The limits of slipperiness

It was one of those invigorating coincidences which can say more than the most carefully conceived script. It was possible, in a few seconds on Monday night, to zap straight from John Major's address to the nation on the Northern Ireland crisis to Edward Heath's 1974 broadcast to the people on the miners' strike, a poignant backdrop to Peter Flannery's excellent BBC drama series *Our Friends in the North*.

There were similarities: both adopted the stiff, formal air required when discussing matters of the highest importance. Gravitas oozed from the screen. No surprises there. But there were also differences: Heath, before a strangely lurid orange background, looked disturbed, unconvincing. He was reaching for a soothing tone of statesmanlike calm, but struck instead a dissonant note of tetchy pomposity.

Major, on the other hand, is a politician at his best when picking out a balmy melody amid the storm all

around. He had his own lurid Orange background to deal with, but he handled it deftly, with no aggression or self-righteousness.

Analysts inevitably focused on what wasn't said, what was almost said, what was said, on nuances, on semantics, on the precise meaning of certain words. And here we have one of the greatest problems facing any modern, free democracy: in an age which thrives on spin, slogan and soundbite, how can you give out the subtle signals required to solve problems of treacherous complexity?

Put it another way: Major had a moral duty to say on Monday night that he would not sit at the same table as people who use bombs to make their point. And we would all surely support him. But at the same time, do we not want the tentative contacts made over the last 18 months to continue at some informal, even clandestine level, so that the peace process can go on?

The truth is, we want it all ways at once: we want to condemn, to give vent to our outrage, to set the firmest of conditions; but we also want someone

to conduct the messy business of getting sworn enemies together round a table. It is just that we would rather not know about it.

The peace talks so violently suspended last week were said to have been initiated by an MI6 officer operating on his own initiative. It took imagination, flexibility and no little courage; all qualities we look for in our political leaders. But they cannot deliver. They are hamstrung by their need to adopt inflexible moral positions, trapped by the rhetorical flourishes demanded by their electorate.

Deep down, however, we want them to say one thing and mean another. We want them to be hypocrites.

In a political culture which respects transparency above most virtues, this is something of a stumbling block. We have to forsake temporarily our right to know, in the hope that our leaders will cut corners, smooth some edges and achieve the desirable result. Then we can say well done and not ask too many questions. We can applaud firmness of stance and integrity of purpose while all the time admiring the sinu-

ousness required to get to the endgame.

There is something of this thinking in the arguments of those who seek to defend the miscreants emerging from the arms-to-Iraq affair. Here, the ideals of refusing to sell arms to potentially hostile countries are hung out to dry while the reality of "British jobs" is put on a dubious pedestal.

But there is an important difference: if this type of ends-justify-the-means argument is to convince, that end has to be a self-evident, incontrovertible good. There are not many of those, but trying to bring peace to a province such as Northern Ireland is one of them.

British jobs, however, do not belong to this category. There are plenty of convincing moral arguments which say that the manufacture and sale of arms is wrong, in any and every case. So if a country must indulge, it is important that all its dealings are open and frank. To deceive the people in this case is, in many eyes, to compound a felony. We may secretly like our politicians slippery, but there are limits.

Luxury Breaks at Claridge's range from £120 per person sharing a room (including breakfast). For further details call 0171-629 8800 or fax 0171-309 2210. For details of Luxury Breaks at Claridge's sister hotels: The Berkeley and The Savoy in London, and The Lygon Arms in the Cotswolds, call 0171-872 8888. Members of The Savoy Club.



The V&A? Sotheby's? No, Claridge's.

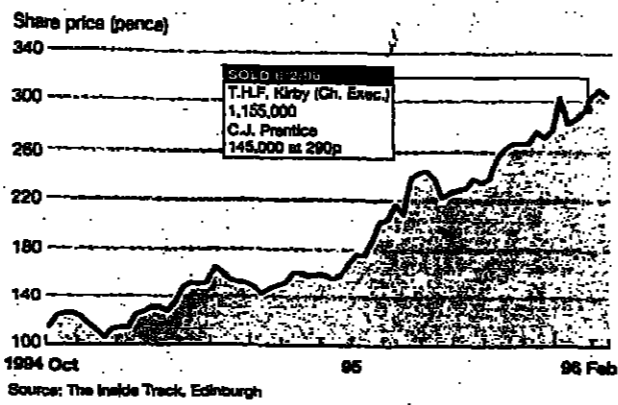
مكتبة التفتاح

WEEKEND INVESTOR

Results due next week

Table with columns: Company, Sector, Amount due, Last year interim, Dividend (p), This year interim. Lists companies like Admiral, Anglo & Overseas Ltd, Aron Ltd, etc.

Games Workshop



Directors' dealings

Shares in Games Workshop, which makes miniature fantasy warriors for table-top war games systems, have performed well since flotation at the end of 1994.

Directors' share transactions in their own companies

Table with columns: Company, Director, Shares, Value (£000), No. of directors. Lists transactions for companies like BALE, Balfour Beatty, etc.

Last week's preliminary results

Table with columns: Company, Sector, Rev. (p), Profit (p), Dividend (p). Lists results for companies like Allied Irish Banks, Anglo Irish Bank, etc.

Last week's interim results

Table with columns: Company, Sector, Rev. (p), Profit (p), Dividend (p). Lists interim results for companies like Allied Irish Banks, Anglo Irish Bank, etc.

Dividends are shown net of tax for the corresponding period. Lasts, in pence. Rev. and profit are in pence per share, except where otherwise indicated.

Issues

FI Group, which supplies computer services, is planning a stock exchange flotation in the spring. It will be the third computer services company seeking a listing since the autumn and is expected to be valued at around £50m.

David Blackwell

Current sale, placings & introductions. FI Group is to raise £50m net via a placing and open offer of 2.18m shares @ 35p on a 1:4 basis.

In the Pink

Why February is the cruellest month for gold

Brian Marber takes a close look at the figures and suspects that its bull market has begun to go downhill

Brian Marber is a technical analyst who runs his own company

My criteria for calling a bull market have not altered for 34 years - and gold is experiencing one. But it could have peaked already.

Between 1970 and 1987, there were four bull markets when gains of around 471 per cent, 717 per cent, 72 per cent and 74 per cent were recorded. Since 1989 there have been another four, recording gains in the region of 19 per cent, 24 per cent, 6 per cent and (the latest) 9.33 per cent.

The afternoon bullion market fix of \$414.80 on February 5 was the highest since the retreat from the \$423.75 peak reached (on February 7 1990) at the peak of the 1989-90 bull market.

But when it closed at \$408.10 on February 1, it was significant. For that closing price was more than 3 per cent clear of the January 1994 peak (\$385.25), the September 1994 peak (\$36.25) and the April 1995 peak (\$35.55).

It takes gold to get to the upper trendline drawn parallel to the 1993/1995 uptrend, the higher it will have to rise. A 3 per cent advance above February 1995's \$423.75, an afternoon fix at \$436.47, would also be highly significant, of course.

And now that the ascending right-angle triangle and its \$445 objective have been confirmed, the inference is that afternoon fixes at \$417.77 and \$436.47 will occur.

What are the problems? Only one: gold's habit of peaking between December 14 and February 15. Consider: The 1970 bull market peaked on the last day of December 1974 when gold started a bear market which did not end until August 1976.

The 1976 bull market peaked on January 21 1980 at \$350. The 1976 bull market peaked on January 21 1980 at \$350. The 1976 bull market peaked on January 21 1980 at \$350.

Does the foregoing make you more or less bullish, or has it made you suspicious of other commentators' present bullishness now that \$400 has been exceeded? I am feeling bearish. When will I be proved right? There are two important barriers: the top one is \$417.77, 3 per cent higher than August 1989's \$405.60; the bottom one is \$385.25, 3 per cent below \$405.60.

If the price at the afternoon fix fails to break through the top barrier but does plunge through support at the bottom one, it could cause a meltdown of the bull market. At that stage we would clearly be in a bear market. The collapse would be particularly ominous because we are in February, which has so often proved cruel to gold bulls.

Unfortunately, however, in view of the size of recent bear markets, the new one will be then have achieved nearly 50 per cent of its expected decline. But don't blame me for the small size of recent significant swings, or for Edwards' and Magee's insistence on a 3 per cent as the confirmation that a reversal has occurred.

So, here we are in February 1996, five months after the present bull market began on September 6 1995. True, the February 5 afternoon fix at \$414.80 was the highest since February 1990, but not conclusively above resistance provided by August 21 1993's \$405.60 and still below the same year's \$423.75 bull market peak.

Bids

Renold, the pest control and security group, yesterday pounced on BET with a hostile cash and share bid valuing the services group at £1.85bn, writes Peggy Holtzinger.

The BET board rejected the offer, claiming it was inadequate and lacked credibility. The market is uncertain about the logic of Renold's move, with some analysts having questioned the management's ability to take on such a large and diverse group as BET.

Unilever yesterday launched its counter-attack to the \$584.3m bid from rival drugs wholesaler Gehe for Lloyds Chemists, with a cash and share offer valuing the pharmacy group at \$650m. The battle is far from over, however, with Gehe indicating it was considering raising its own cash bid and advising Lloyds' shareholders to sit tight.

They should be enjoying the ride. Even if Gehe does not come back with a higher offer, they have seen the share value of Unilever's offer increase by 16 per cent from 42p in the original bid to last night's 48p in just over a month.

Compare this with the trading range for Lloyds' shares of 180p-290p in the year before any offer was made, and they must be feeling pretty content. Gehe is not likely to return quickly with an alternative offer. Much of the judgment will be based on what happens to Unilever's share price. Should the shares remain

Current takeover bids and mergers

Table with columns: Company, Bid by, Value (£m), P/B, % of bid, Status. Lists bids for companies like BET, Cluff Resources, etc.

Tiers of joy.

Read it and reap. Woolwich Guernsey has consistently offered excellent rates of interest in all these tiers. Last year, in particular, our £500-£9,999 tier offered 5.75% interest, the highest rate of any offshore building society subsidiary. Which, incidentally, made it the industry best buy for 1994.*

And, had you invested £10,000 over the past 3 years in our £10,000-£39,999 tier, you'd now be crying with laughter, because it was also rated as industry best buy in '94.**

In fact, you can now earn an impressive 6.10% in this bracket. Quite obviously then, you could do yourself a wealth of good by investing with Woolwich Guernsey. And you can rest assured your investment is secure. All deposits are 100% guaranteed by Woolwich Building Society.*

Not only that, the beauty of this Woolwich Guernsey account is that it gives you instant access to your money. You're free to withdraw all or part of your investment at any time you like with no penalties at all.

To find out more, call us on 01481 715735 during weekly business hours. Alternatively fax us on 01481 715722 or clip the coupon. Woolwich Guernsey. We wipe away the competition's tiers.

Form for Woolwich Guernsey account application. Fields include Name, Address, Postcode, Country, Tel/Fax No.

Woolwich Guernsey. We wipe away the competition's tiers. Woolwich Guernsey Limited, PO Box 341, La Tourelle House, Les Banques, St Peter Port, Guernsey GY1 3UW.

Weekend Investor

Wall Street

The Buffett guide to doing the splits

Maggie Urry explains why the legendary US investor felt he had to change tack

If you own a Berkshire Hathaway share, you can stop reading now. Just go back to your pina colada by the pool and turn to the How to Spend It page. If not, you could soon have the chance to invest in a stock market phenomenon.

Warren Buffett, the legendary chairman of this holding and investment company, has firm views on what sort of shareholders he wants. When he buys into a company, he thinks of himself as a partner in a business, not a speculator. And he expects his shareholders to behave the same way.

His ideal is shareholders who are well-informed about the business, have realistic expectations of where the share price is going, and intend to stick with the stock for a long time. But his problem is that expectations have been lifted by the performance of his own shares over the past 30 years. Buffett first bought stock in the then-ailing textiles group in 1963, when the share price was \$8. He took control in 1965, buying at an average price of \$15. He does not pay dividends - profits are reinvested in the business. Nor does he believe in splitting the stock to reduce the share price.

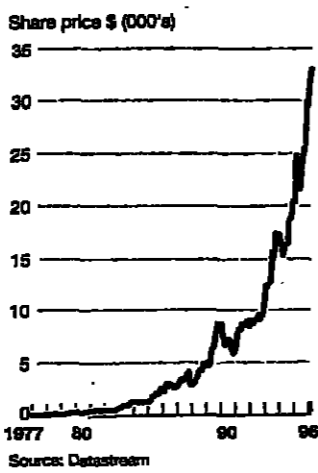
All the available return from the investment has been concentrated in the share price. So, over the years, that \$15 share price has risen to a staggering \$33,000-plus.

The shares trade in lots of 10, so the minimum needed to invest in the company is over \$330,000. Ordinary mortals who did not buy Berkshire shares a long time back have been unable to climb aboard the Buffett bandwagon.

Markets have a tendency to find a way round these problems. Some investment groups hit on the idea of buying Berkshire shares, putting them into a trust, and then selling units at a price that less well-off investors could afford. One such trust opened for business last month and another was in the planning stages.

That forced Buffett to act at last. He did not want these trusts to thrive. They would, after all, be profiting from the Buffett brand by charging all sorts of fees and commissions to investors. Moreover, the shareholders-by-remove would not be entitled to those other little perks of being a Berkshire investor: the right to receive the annual report, with Buffett's lengthy and fascinat-

Buffett hath a way with him



ing discourses on the theory and practice of investment; and the chance to attend the annual jamboree in Nebraska.

So, this week, a reluctant Buffett proposed a "do-it-yourself" stock split. If shareholders approve the plan, they will be able to convert each of their existing shares into 30 new "B" shares. In order to get a listing for the new shares, Berkshire will make a \$100m public offering of them - something else that Berkshire has never done since he became the chairman.

Buffett will do nothing to promote these shares. He said this week that "management does not believe the company's stock is undervalued". (The share price stands at more than twice the last recorded value of shareholders' equity.) Nor will he convert his own shares into the new class. But if the "B" shares trade at 1/30th of the price of the existing shares, and investors can still deal in a minimum of 10, then it will take a mere \$11,000 or so to be a Berkshire shareholder.

It is worth contrasting Berkshire's record with that of one of Buffett's favourite stocks, Coca-Cola. He is fond of using the Coke example to illustrate the power of long-term investing. Anyone who bought a \$40 share when Coke went public in 1919, and who reinvested the dividends, would now have an investment worth over \$4m. And, probably, a hefty tax liability, too.

Over the years, though, Coke has split the shares nine times. The one original \$40 share has turned into 2,304 shares, worth \$185,000. If Berkshire's price is unwieldy, think what Coke's would be without the splits. Stock splits are often taken

to mean that a company is endorsing its high share price and, usually, they result in a share price rise, even though they should be purely cosmetic. Rick Escherich, an expert on the subject at J.P. Morgan, reckons that a share price gains 3 to 4 per cent on average after a split. Berkshire's shares rose more than that this week, gaining around \$2,000 each.

But while Berkshire's share price is ludicrously high, there is an acceptance of large share prices in the US which is at odds with that in the UK. It could reflect different attitudes, like the glass which is half full or half empty depending on the mood of the beholder. The average price of the Dow Jones Industrial Average's 30 shares is around \$83. The average of the FTSE 100 shares is a mere \$59. If a stock in the US falls below \$10, it is usually because the company is in trouble, and brokers are wary of recommending investors to buy them.

A majority of shares in the US is priced between \$20 and \$50. Above that range, companies start thinking about splitting their stock. The bull market has increased the number of splits taking place. The trick, naturally, is to pick those \$15 or \$40 shares which will become the Berkshires and Cokes of the future. And it takes a Buffett to do that.

Monday	5600.15 + 58.53
Tuesday	5601.23 + 1.08
Wednesday	5579.55 - 21.68
Thursday	5551.37 - 28.18
Friday	

London

All aboard the roller-coaster

Philip Coggan watches a week of ups and downs

Welcome to Optimists' World, the new theme park being built in the heart of the City to provide entertainment for the mass of investors.

Forget those worries about corporate earnings. Enjoy a hectic ride on our Takeover Express, taking you swiftly up the soaring slopes of managers' promises until you reach the Bid Document Pantomime ("Oh yes, you did" - "Oh no, we didn't"). Marvel at the Hall of Economic Mirrors where one minute the economy looks healthy, the next anorexic, and everything gets distorted.

If Time Warner and MAI are looking for ideas for their new theme park in Hillingdon, they need look no further than this week's stock market performance.

Having sunk 1.7 per cent during the previous week, the FT-SE 100 index managed to recover and on Friday morning recorded a new intra-day all-time high of 3,781.6. The

second tier Mid-250 index managed to chalk up some new closing highs, finally beating its February 1994 peak.

While London had seemed previously to lag behind Wall Street, this week it managed to display strength despite two days of 20-point-plus falls in the Dow Jones Industrial Average. It was a case of third time unlucky yesterday, however, as sharp early falls in the Dow sent Footsie into retreat.

World stock markets generally have been buoyant in 1996. Interest rates are falling around the world and increasing the attraction of shares in relation to cash. In these circumstances, it is hard for stock markets to fall, although it is easy for them to get carried too far in their enthusiasm.

The wave of liquidity is also manifesting itself in the UK, in particular in the corporate sector's willingness to look for bid targets. While not a fully-fledged bid, Thursday's dawn raid by Granada on Yorkshire-Tees Television prompted

a flurry of speculative enthusiasm in the media sector, which was enlivened last week by the MAI/United News & Media merger.

Then there was the matter of Bentiokil, the environmental services group, which announced first that it was seeking a manager with BET, which provides business services, and then that it was making a hostile bid. BET's share price rocketed; its 23 per cent rise on Thursday made it the best performer in the FT-SE Mid-250 index on the day.

Finally, UniChem continued the takeover battle for Lloyds Chemists with an offer that topped a rival bid from the German group Gehe.

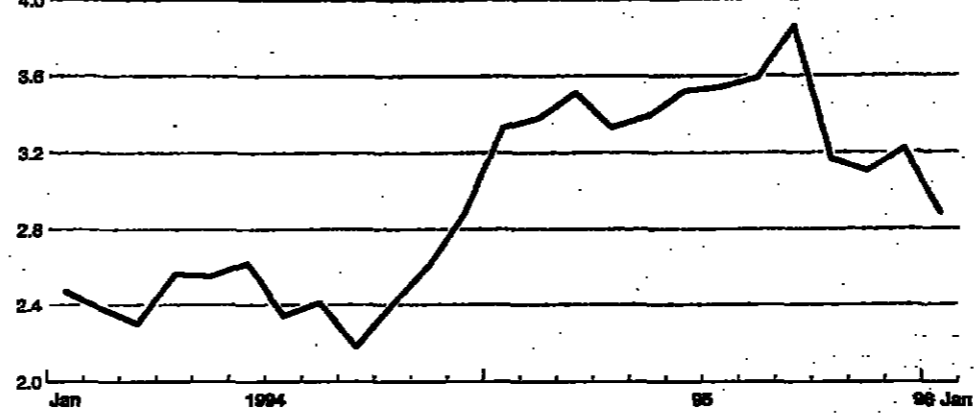
On top of the takeover excitement, there were three bits of good inflation news. On Monday, figures showed that factory gate prices were static between December and January, the first month without an increase for almost two years. The annual rise in manufac-



The market offers ideas to MAI and Time Warner

Inflationary fears subside

UK Inflation rate (%)



Source: FT Estel

Highlights of the week

	Price	Change	52 week	52 week	
	YTD	on week	High	Low	
FT-SE 100 Index	3770.9	-54.8	3781.3	2977.0	Interest rate optimism
FT-SE Mid 250 Index	4199.9	-48.0	4199.9	3300.9	Takeover fever
BET	195 1/4	+58 1/4	195 1/4	102 1/2	190p a share bid
Cain Energy	215	+20	225	69 1/2	Bangladesh oil field reports
GEC	372 1/2	+19	377 1/2	281	Broker "buy" notes
Ladbroke	191	+21	193	122	Bid speculation returns
Lloyds Chemists	493	+19	498	194	UniChem improved offer
P & O Ferries	545	+21	637	456	Property sale talk
Reitokil	333	-33	366	213	Bid for BET
Reuters	692	+61	704	434	Share buy-back hopes
Scottish TV	715	+102	715	393	Takeover talk
Storehouse	312	+15	349	209	Upbeat city presentation
Superscape VR	625	+180	628	149 1/2	Deal with IBM
Trafalgar House	39 1/4	+7 1/4	67	19 1/4	Recovery hopes
Yorkshire-Tees Tees	1028	+128	1028	366	Granada dawn raid



Barry Riley

There's profit in stagnation

Companies are making money by growing smaller slowly

Britain might be the Enterprise Centre of Europe, a phrase which the government recites like a mantra, but the economy does not exactly look like a European tiger. True, inflation is down, profits are high and the All-Share Index hit an all-time peak this week. Yet new, fixed investment remains obstinately sluggish.

So, where will we generate all the output growth which is required to finance lower taxes and higher living standards and balance the national budget by 2007?

The frustration was evident in the Bank of England's Quarterly Bulletin and accompanying Inflation Report last Wednesday. There was comment on the general long term decline in investment, which applies throughout the developed economies.

Then there is the particular short-term setback in the UK, where fixed capital formation slipped into year-on-year decline by the third quarter of 1995, with slight growth in plant and machinery being more than offset by the construction industry's slump.

The figures need to be treated with care, however. It is possible that rapid advances in information technology are leading to substantial gains in the productivity of capital investment, so that less will potentially produce much more, a change not picked up

by conventional "volume" figures.

But what the official statistics do show is that investment, as a proportion of GDP, hit a peak of 21 per cent at the end of the 1980s but has now subsided to a more typical 17 per cent or so. This failure of investment to respond to higher output since 1982 is causing the theorists to scratch their heads, especially as the stock market has been extremely buoyant at the same time.

After all, the theory runs that investment decisions are influenced by Tobin's ratio q which, in effect, is the ratio of the stock market value of productive assets to their replacement cost. That is, it measures how the market values the future stream of income from a capital project compared with its cost.

According to Bank calculations, this ratio has hit 1.3, providing healthy incentives to invest and representing a far cry from the dark days between 1975 and 1985 when it languished at around 0.5 and asset strippers roamed the land. So, if entrepreneurs can turn £1 reliably into £1.30, why is there not a surge of investment?

Well, there could be a cultural problem. Most of Britain's natural expansionists went bust years ago, and boardrooms are still dominated by primers,

slashers and cost efficiency experts. But there is more to it than that.

Foreigners have, in part, filled the capital investment vacuum with the Japanese, for instance, bravely building £20bn worth of car plants, silicon chip factories and consumer goods facilities. But according to the accountants

The failure of investment to respond to higher output is causing some head-scratching

KPMG, in a new report, the resulting profits have ranged from average at best to poor or negative in most cases. We could have told them. And, as the Bank of England itself admits, its calculation of q represents an overall average rather than a representation of the returns from marginal projects. So, the expansive argument falls down if profit opportunities in the UK are discrete and limited in size rather than part of an economy-wide continuum, of the kind beloved by economists with equilibrium models.

The former is, of course, the case and a perfect example emerged this week with the

annual results from Reuters, one of the UK's leading companies. Reuters is highly profitable and has amassed £850m in cash. So, will it invest this in expansion, licking its lips at the prospective uplift in value from the impact of the ratio q ?

Alas, no; although spending nearly £200m a year on research and development, it cannot find anything like enough projects to absorb all the cash it is generating and it plans to return much of the money to shareholders.

We can also see this in the mortgage market, where banks and building societies have been enjoying high profit margins in a basically declining business. The existing customer base of passive clients can be milked for the time being. But new business can be won only on loss-leading margins. It is very profitable to contract slowly, but very unprofitable to grow.

Is that Britain's economic problem, summed up? In the long run, of course, stagnation or contraction will not remain very remunerative options, either. Competition will intrude upon the cosy scene. Price wars are breaking out, for instance, in oil and detergents.

A large part of the recent surge in company profitability can be attributed to the transitional benefits of cost reductions arising from the exploitation of information

technology and the use of corporate re-engineering techniques. But managements have not expanded investment programmes greatly because they see no substantial increase in basic demand.

Buoyancy in the stock market, though, implies that investors have few qualms about the durability of the profits boom. Share prices in recent months have raced ahead of the prices of index-linked gilts, the most comparable investment. In fact, the yield gap between them has almost disappeared, normally a danger sign for equities (although it might also mean that linkers, a much smaller market, are cheap).

No doubt equity investors have been encouraged by the 12 per cent growth rate of dividends, and by the thought that pay-outs and share buy-backs will continue to grow strongly as a cash-rich but project-poor corporate sector balances its books.

Finally, it is interesting to speculate how a Labour government would affect the picture. Labour would be anti-dividend and would argue that extra capital spending would generate faster growth. But, on the evidence of the Japanese, it would not generate much profit. In those circumstances, we could rely on index-linkers to outperform.

NEWTON

No.1 for growth.
The Newton Income PEP.

- Top performing PEPable UK Unit Trust over 10 years*
- £1,000 invested at launch in May 1985 - now worth £8,114**
- Fund Research - AAA rated

"The Newton Income Fund remains the top performer in its sector over 10 years. The PEP investor simply has to look into this record."

0500 110 000

Offshore managed funds and UK managed funds are listed in Section One

مكتبة